

This metadata describes the compilation practices, sources and methodology in use in 2003. Please refer to the contact person below for details of any changes that may have been introduced by the country since that time.

Austria:

Direct Investment Compilation Practices, Data Sources and Methodology

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Direct Investment in Austria

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

Direct Investment Abroad

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

DIRECT INVESTMENT IN AUSTRIA

BALANCE OF PAYMENTS (“INWARD TRANSACTIONS”) DATA

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable monthly data (the most timely) are compiled by the Oesterreichische Nationalbank (OENB) within the balance of payments framework on (a) two of the three components of direct investment income: (i) income on equity (dividends and distributed branch profits), and (ii) income on debt (interest), and (b) the components of direct investment financial flows: (i) equity capital, and (ii) other capital. Separately identifiable quarterly data are compiled by the OENB within the balance of payments framework on reinvested earnings. These data are disseminated with a timeliness of 7 weeks after the end of the reference period in the case of the monthly data and 3 months after the end of the reference period in the case of the quarterly data in the OENB's *Statistisches Monatsheft* (Tabelle 7.0.1), which is also available on the following OENB website http://www2.oenb.at/stat_p.htm. The data (quarterly rather than monthly) are also reported to the IMF for publication.

More comprehensive annual (calendar year) data are compiled by the OENB within the balance of payments framework on (a) the components of direct investment income: (i) income on equity (dividends and distributed branch profits), (ii) reinvested earnings, and (iii) income on debt (interest), and (b) the components of direct investment financial flows: (i) equity capital, and (ii) other capital. These data are disseminated with a timeliness of 6 months after the end of the reference year in the OENB's *Statistisches Monatsheft* (Tabelle 7.0.1), which is also available on the following OENB website http://www2.oenb.at/stat_p.htm. The data are also reported to the IMF and the OECD for publication.

Revision Practices

The monthly data are final when first released. The quarterly data are preliminary when first released. The quarterly data for the current year are revised continuously to take account of late reporters and the revised data are disseminated quarterly together with the preliminary data for the latest quarter. The data are revised again after one year and after two years, to take account of the annual surveys results for the data on reinvested earnings. At this time they are considered to be final, that is, 24 months after the end of the reference period and 21 months after their first release.

The annual data are revised after one year and again after two years to take account of the annual survey results for the data on reinvested earnings, and are disseminated once a year together with the preliminary data for the latest year. At this time they are considered to be final, that is, 24 months after the end of the reference period and 18 months after their first release.

The revised status of the data is clearly identified in the disseminated data and the general public are informed of the reasons for the revisions in general terms. The historical data are revised back as far as feasible in instances of major changes in methodology or data collection system.

There are no differences in the revision practices between the data disseminated in the national publications and those reported to the IMF and the OECD for publication.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the data.

There are no differences in the sectoral coverage between the data disseminated in the national publications and those reported to the IMF and the OECD for publication.

Data Collection Method

The data are collected on an individual basis and the reporting requirements are compulsory.

Data Sources

The monthly data for all components are compiled from an international transactions reporting system (ITRS), which covers cash transactions made through the domestic banking system, and cash transactions made through the foreign bank accounts of enterprises, but not noncash transactions. Press reports are also used as a secondary data source for the compilation of the data on equity capital. The quarterly data on reinvested earnings are forecasts based on an extrapolation of the results of the annual surveys for the latest available years. There are plans to change to using a monthly enterprise survey as the primary data source by 2006.

The annual data for all components except reinvested earnings are compiled as the sum of the monthly data for the relevant year. The annual data for reinvested earnings are compiled from an annual enterprise survey of resident enterprises.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF and OECD for publication.

A business register of enterprises involved in direct investment is used to compile the inward direct investment transactions data. The register is maintained by the OENB and is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) a register maintained by the corporate affairs authorities, (iii) the financial press, and (iv) compulsory direct investment surveys. The same business register is used to compile the inward direct investment transactions and position data, and the outward direct investment transactions and position data.

Geographic Classification

Annual data showing breakdowns by country for the direct investment income data and direct investment financial flows data are compiled by the OENB. The data are disseminated once a year with a timeliness of 6 months after the end of the reference year in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data showing country breakdowns for both the direct investment financial flows and direct investment income are also reported to the OECD and Eurostat. The data cover 70 countries and bilateral data are used on occasion to crosscheck the data on direct investment financial flows.

The debtor/creditor principle is used as the basis for the geographic allocation of the data. The five countries with the largest amount of direct investment income from investment in Austria during 2002 (ranked in descending order) were: Germany, the Netherlands, Switzerland, the United States, and France. The five countries with the largest amount of direct investment financial flows into Austria during 2002 (ranked in descending order) were: Germany, the United States, Switzerland, the United Kingdom, and Italy.

In addition to the data showing country breakdowns, annual data are compiled by the OENB showing breakdowns of both the direct investment income and direct investment financial flows for the following regions/economic zones: (i) the EU15, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the ASEAN countries, and (vi) the OPEC countries. These data are not disseminated but are available on request once a year with a timeliness of 6 months after the end of the reference period. The data are also reported to the OECD and Eurostat.

There are no differences in the data coverage between the inward transactions data showing geographic breakdowns disseminated in the national publications and reported to the OECD and Eurostat, and the aggregate inward data on direct investment income and direct investment financial flows reported to the IMF for publication.

Industrial Classification

Annual data showing breakdowns by industrial activity for the direct investment income data and direct investment financial flows data are compiled by the OENB. The data are not disseminated in the national publications, but are available on request, and are reported to the OECD and Eurostat. The data show a breakdown for 20 industrial activities. The classification used is NACE95, which broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC).

Both the data on direct investment income and direct investment financial flows are classified on the basis of the industrial activity of the resident direct investment enterprises. The five industrial activities with the largest amount of direct investment income from investment in Austria during 2002 (in descending order) were: (i) business activities holdings, (ii) trade and repairs, (iii) communications equipment, (iv) chemical products, and (v) financial. The five industrial activities with the largest amount of direct investment financial flows into Austria during 2002 (in descending order) were: (i) trade and repairs, (ii) chemical products, (iii) communications equipment, (iv) financial, and (v) motor vehicles.

Data showing breakdowns by (i) both industrial activity and main partner country, and (ii) both industrial activity and region/economic zone, are not compiled for the direct investment income data and the direct investment financial flows data.

There are no differences in the data coverage between the inward transactions data showing industrial activity breakdowns reported to the OECD and Eurostat, and the aggregate inward data on direct investment income and direct investment financial flows reported to the IMF for publication.

B. Methodology

Definition of Direct Investment Enterprises in Austria

In accordance with the international standards, the basic criterion for defining direct investment enterprises in Austria is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management—that is, enterprises in which the nonresident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. In accordance with the international standards, the 10 percent ownership is based on the ownership of each individual nonresident investor or group of related nonresident investors, rather than being calculated by combining the holdings of all nonresident investors in a specific enterprise or from a specific country. No value threshold of is used to identify resident direct investment enterprises, and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. In accordance with the FCS, the direct investment financial flows data include all equity capital transactions made directly between resident enterprises of a related group as defined in the FCS and nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other. However, the data do not include all other capital transactions between resident enterprises of a related group as defined in the FCS and nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other. Contrary to the FCS the direct investment earnings data do not include the relevant share of all indirectly-owned direct investment enterprises.

Enterprises in Austria are not required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, or (ii) identify all transactions with the parent company.

Measurement of Direct Investment Earnings

Contrary to the international standards, the “Current Operating Performance Concept” (COPC) is not fully used to calculate direct investment earnings. In accordance with the COPC, (i) deductions are made for depreciation of capital provisions and for provisions for host-country income and corporation taxes, (ii) unrealized capital gains and losses, and unrealized exchange rate gains and losses are not included, (iii) interest receivable/payable is included, and (iv) debt repayments receivable/payable are excluded. Contrary to the COPC, realized capital gains and losses, write-offs, and realized exchange rate gains and losses are included.

Treatment of Income on Equity (Dividends and Distributed Branch Profits)

The data on dividends and distributed branch profits cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, (i) dividends and distributed branch profits are recorded gross of any withholding taxes, (ii) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, dividends and distributed branch profits for both incorporated and unincorporated enterprises are recorded on the date they are paid, rather than the date they are declared payable.

Treatment of Reinvested Earnings and Undistributed Branch Profits

The data on reinvested earnings and undistributed branch profits cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, (i) the reinvested earnings and undistributed branch profits are recorded in the period in which they are earned, (ii) the data include reinvested earnings and undistributed branch profits between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks, and (iv) when a direct investment enterprise makes a net loss, that net loss is recorded as negative reinvested earnings.

Treatment of Income on Debt (Interest)

The data on income on debt (interest) cover both incorporated enterprises and unincorporated enterprises and include interest on (i) long-term loans, (ii) short-term loans, (iii) bonds and money market instruments, and (iv) financial leases. The data do not cover interest on trade credits. In accordance with the international standards, the data do not include (i) interest on financial derivatives, and (ii) interest on deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities between affiliated banks and affiliated financial intermediaries. In accordance with the international standards, (i) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (ii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, interest on loans and financial leases are recorded on a paid basis, rather than on an accrual basis. However, in accordance with the international standards interest on bonds and money market instruments are compiled on an accrual basis.

Treatment of Equity Capital

The equity capital transactions data cover (i) listed voting stocks (shares), (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, (i) the data include equity transactions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

Treatment of Other Capital

The other capital transactions data cover: (i) long-term loans, (ii) short-term loans, (iii) bonds and money market instruments, and (iv) financial leases. The data do not cover trade credits. In accordance with the international standards, the data exclude (i) financial derivatives, (ii) loan/debt guarantees provided by direct investors or related direct investment enterprises, (iii) changes in insurance company technical reserves, and (iv) transactions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. In accordance with the international standards, (i) the data include non-participating preference shares, (ii) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences

between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, the data do not include transactions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

In instances when a loan/debt guarantee provided by a direct investor or related direct investment enterprise is invoked following default by a direct investment enterprise, the periodic payments of principal and interest made by the guarantor are treated as direct investment lending by the guarantor and recorded under "Direct Investment in Austria: Other Capital: Increase in Liabilities to Direct Investors" at the time the periodic payments are made.

Treatment of Reverse Investment

Transactions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity transactions are treated as "Direct Investment Abroad: Equity Capital: Increase in Claims on Affiliated Enterprises" and loan transactions are recorded as "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity transactions are recorded as "Portfolio Investment: Increase in Assets: Equity Securities", rather than as "Direct Investment in Austria: Equity Capital: Increase in Claims on Direct Investors". In accordance with the international standards, loan transactions are recorded as "Direct Investment in Austria: Other Capital: Increase in Claims on Direct Investors", and are reported as such to the IMF.

Treatment of Quasi-corporations

Not applicable. Quasi-corporations involving the operation in Austria by nonresidents of: (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft, and drilling rigs, have not occurred to date.

Treatment of Offshore Enterprises

Not applicable. There are no offshore enterprises established in Austria by nonresidents at present.

Treatment of Special Purpose Entities (SPEs)

In accordance with the international standards, (i) activities of SPEs established in Austria by nonresidents are included in the direct investment data, with no exceptions, and (ii) in the case of SPEs established in Austria by nonresidents that have the primary purpose of financial intermediation, transactions with affiliated banks and affiliated financial intermediaries are excluded from the data, except those involving equity capital. (Contrary to the international standards, the data also exclude transactions involving permanent debt.)

Treatment of Land and Buildings

In accordance with the international standards, the equity capital data include purchases and sales of land and buildings in Austria by nonresident enterprises and nonresident individuals. Land and buildings purchased in Austria by nonresident enterprises and nonresident individuals on long-term leases are not included.

Treatment of Natural Resources Exploration

In accordance with the international standards, expenditure related to natural resources exploration in Austria by nonresidents is included in the equity capital data. Expenditure on bonus payments made by nonresidents to the host country for the right to undertake exploration for natural resources when there is a clear intention to establish a direct investment enterprise are not applicable, as such payments have not occurred to date. In accordance with the international standards, in instances of the shutdown of a direct investment enterprise established in Austria by nonresidents for natural resource exploration, no transaction to reflect that shutdown is recorded in the balance of payments statistics.

Exchange Rate Conversion

All transactions are converted to the unit of account at the average exchange rate for the period.

DIRECT INVESTMENT IN AUSTRIA

INTERNATIONAL INVESTMENT POSITION LIABILITIES (“INWARD POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable annual data are compiled by the Oesterreichische Nationalbank (OENB) within the international investment position (IIP) framework on (a) equity capital and reinvested earnings, and (b) other capital, and are disseminated with a timeliness of 18 months after the end of the reference year in the OENB's *Statistisches Monatsheft* (Tabelle 7.1.0), which is also available on the following OENB website http://www2.oenb.at/stat_p.htm. The data are also reported to the IMF and the OECD for publication.

Revision Practices

The data are final when first released.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the IIP data. However, the real estate sector is excluded from the data showing breakdowns by geographic and industrial activities.

There are no differences in the sectoral coverage between the IIP data disseminated in the national publications and those reported to the IMF for publication. However, there are differences in the sectoral coverage between the data reported to the OECD and Eurostat and those reported to the IMF for publication, as the former do not include the real estate positions that are included in the IIP data reported to the IMF.

Data Collection Method

The data are collected on an aggregate basis and the reporting requirements are compulsory.

Data Sources

The data for all components are compiled from annual enterprise surveys of resident enterprises. The perpetual inventory method (a method for deriving position data from transactions data) is not used to compile the data.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF and OECD for publication.

A business register of enterprises involved in direct investment is used to compile the inward direct investment position data. The register is maintained by the OENB and is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) a register maintained by the corporate affairs authorities, (iii) the financial press, and (iv) compulsory direct investment surveys. The same business register is used to compile the inward direct investment transactions and position data, and the outward direct investment transactions and position data.

Geographic Classification

Annual data showing breakdowns by country for the inward direct investment position data are compiled by the OENB. The data are disseminated once a year with a timeliness of 18 months after the end of the reference period in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data showing country breakdowns for the inward direct investment position data are also reported to the OECD and Eurostat. The data cover 70 countries and bilateral data are used on occasion to crosscheck the data.

In accordance with the international standards, the data are compiled on the “immediate country” basis, but these data are not disseminated in the national publications. Contrary to the international standards, the data disseminated in the national publications and reported to the OECD and Eurostat are compiled on an “ultimate country” basis. The five countries with the largest amount of direct investment in Austria as at the end of 2001 (ranked in descending order) were: Germany, the United Kingdom, the Netherlands, Switzerland, and the United States.

In addition to the data showing country breakdowns, annual data are compiled by the OENB showing breakdowns of the inward direct investment position data for various regions/economic zones, including the following: (i) the EU15, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the ASEAN countries, and (vi) the OPEC countries. These data are disseminated once a year with a timeliness of 18 months after the end of the reference period in the OENB’s annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data are also reported to the OECD and Eurostat.

There are differences in the data coverage between the inward position data showing geographic breakdowns disseminated in the national publications and reported to the OECD and Eurostat, and the aggregate inward position data reported to the IMF for publication, in that the former do not include the real estate positions that are included in the aggregate data reported to the IMF.

Industrial Classification

Annual data showing breakdowns by industrial activity for the inward direct investment position data are compiled by the OENB. The data are disseminated once a year with a timeliness of 18 months after the end of the reference period in the OENB’s annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data showing industrial activity breakdowns for the inward direct investment position data are also reported to the OECD and Eurostat. The data show a breakdown for 20 industrial activities. The classification used is NACE95, which broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC).

The inward direct investment position data are classified on the basis of the industrial activity of the resident direct investment enterprises. The five industrial activities with the largest amount of direct investment in Austria as at the end of 2001 (in descending order) were: (i) business activities (holdings), (ii) financial, (iii) trade and repairs, (iv) electronics, and (v) chemical products.

Annual data are compiled by the OENB showing a breakdown by both industrial activity and main partner country for the inward position data and are disseminated once a year with a timeliness of 18 months after the end of the reference period in the OENB’s annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. However, the amount of information disseminated is limited due to confidentiality constraints and the data are not reported to the OECD and Eurostat.

In addition, annual data are compiled by the OENB showing a breakdown by both industrial activity and region/economic zone for the inward position data and are disseminated once a year with a timeliness of 18 months after the end of the reference period in the OENB’s annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. However, the amount of information disseminated is limited due to confidentiality constraints and the data are not reported to the OECD and Eurostat.

There are differences in the data coverage between the inward position data showing industrial activity breakdowns disseminated in the national publications and reported to the OECD and Eurostat, and the aggregate inward position data reported to the IMF for publication, in that the former do not include the real estate positions that are included in the aggregate data reported to the IMF.

B. Methodology

Definition of Direct Investment Enterprises in Austria

In accordance with the international standards, the basic criterion for defining direct investment enterprises in Austria is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management—that is, enterprises in which the nonresident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. In accordance with the international standards, the 10 percent ownership is based on the ownership of each individual nonresident investor or group of related nonresident investors, rather than being calculated by combining the holdings of all nonresident investors in a specific enterprise or from a specific country. A value threshold of 73,000 Euro in voting power is used to identify resident direct investment enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Specifically, (i) the data do not include the relevant share of the reinvested earnings of indirectly-owned direct investment enterprises, and (ii) the data include the equity capital and other capital positions held directly by resident enterprises with selected nonresident indirectly-owned enterprises only.

Enterprises in Austria are not required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, or (ii) identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings

The equity capital position data cover (i) listed voting stocks (shares), (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, (i) the data include equity positions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

The reinvested earnings data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, (i) reinvested earnings are recorded in the period in which they are earned, (ii) the data include positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks, and (iv) when a direct investment enterprise makes a net loss, that net loss is recorded as negative reinvested earnings. (See also the section on the *Measurement of Direct Investment Earnings* in the metadata on the Balance of Payments [transactions] data on Direct Investment in Austria.)

Treatment of Other Capital

The other capital position data cover: (i) long-term loans, and (ii) short-term loans. The data do not cover (i) bonds and money market instruments, (ii) trade credits, and (iii) financial leases. In accordance with the international standards, the data exclude (i) financial derivatives, (ii) loan/debt guarantees provided by direct investors or related direct investment enterprises, (iii) changes in insurance company technical reserves, and (iv) positions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. In accordance with the international standards, (i) the data include positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (ii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards the data do not include positions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

The treatment of instances when a loan/debt guarantee provided by a direct investor or related direct investment enterprise is invoked following default by a direct investment enterprise varies depending on the practices of the individual reporting enterprises, and may be treated as an equity injection in some instances and as lending in others.

Treatment of Reverse Investment

Positions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity positions are treated as "Assets: Direct Investment Abroad: Equity Capital: Claims on Affiliated Enterprises" and loan positions are recorded as "Assets: Direct Investment Abroad: Other Capital: Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity positions are recorded as "Assets: Portfolio Investment: Equity Securities", rather than as "Liabilities: Direct Investment in Austria: Equity Capital: Claims on Direct Investors". In accordance with the international standards, loan positions are recorded as "Liabilities: Direct Investment in Austria: Other Capital: Claims on Direct Investors". Although these positions are not reported as to the IMF as "Liabilities: Direct Investment in Austria: Other Capital: Claims on Direct Investors", there are plans to begin to do so in the future.

Treatment of Quasi-corporations

Not applicable. Quasi-corporations involving the operation in Austria by nonresidents of: (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft, and drilling rigs, have not occurred to date.

Treatment of Offshore Enterprises

Not applicable. There are no offshore enterprises established in Austria by nonresidents at present.

Treatment of Special Purpose Entities (SPEs)

In accordance with the international standards, (i) activities of SPEs established in Austria by nonresidents are included in the direct investment data, with no exceptions, and (ii) in the case of SPEs established in Austria by nonresidents that have the primary purpose of financial intermediation, positions with affiliated banks and affiliated financial intermediaries are excluded from the data, except those involving equity capital. (Contrary to the international standards, the data also exclude positions involving permanent debt.)

Treatment of Land and Buildings

In accordance with the international standards, the IIP equity capital data reported to the IMF include ownership of land and buildings in Austria by nonresident enterprises and nonresident individuals. However, the detailed inward position data disseminated in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und auslandische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6* and reported to the OECD and Eurostat do not include ownership of land and buildings in Austria by nonresident enterprises and nonresident individuals. Land and buildings owned in Austria by nonresident enterprises and nonresident individuals on long-term leases are not included.

Treatment of Natural Resources Exploration

In accordance with the international standards, expenditure related to natural resources exploration in Austria by nonresidents is included in the equity capital data. Expenditure on bonus payments made by nonresidents to the host country for the right to undertake exploration for natural resources when there is a clear intention to establish a direct investment enterprise are not applicable, as such payments have not occurred to date. Contrary to the international standards, in instances of the shutdown of a direct investment enterprise established in Austria by nonresidents for natural resource exploration, an adjustment to reflect that shutdown is

not made to the liabilities data on direct investment equity capital in the international investment position statistics.

Valuation of Assets and Liabilities

The data on equity capital for both listed enterprises and unlisted enterprises are recorded at book values, which are the net asset value (total assets less non-equity liabilities) shown in the balance sheets of the individual reporting enterprises.

The data on other capital are recorded at book values, which are the values of the assets and liabilities shown in the balance sheets of the individual reporting enterprises.

In addition, data are disseminated at market values, which are the stock market values in the case of the listed enterprises, and estimates based on past earnings in the case of unlisted enterprises.

The book values used are those shown in the accounting records of the resident direct investment enterprises, rather than the nonresident direct investors.

Exchange Rate Conversion

All positions are converted to the unit of account at the exchange rate prevailing on the date to which the position data relate.

DIRECT INVESTMENT ABROAD

BALANCE OF PAYMENTS (“OUTWARD TRANSACTIONS”) DATA

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable monthly data (the most timely) are compiled by the Oesterreichische Nationalbank (OENB) within the balance of payments framework on (a) two of the three components of direct investment income: (i) income on equity (dividends and distributed branch profits), and (ii) income on debt (interest), and (b) the components of direct investment financial flows: (i) equity capital, and (ii) other capital. Separately identifiable quarterly data are compiled by the OENB within the balance of payments framework on reinvested earnings. These data are disseminated with a timeliness of 7 weeks after the end of the reference period in the case of the monthly data and 3 months after the end of the reference period in the case of the quarterly data in the OENB's *Statistisches Monatsheft* (Tabelle 7.0.1), which is also available on the following OENB website http://www2.oenb.at/stat_p.htm. The data (quarterly rather than monthly) are also reported to the IMF for publication.

More comprehensive annual (calendar year) data are compiled by the OENB within the balance of payments framework on (a) the components of direct investment income: (i) income on equity (dividends and distributed branch profits), (ii) reinvested earnings, and (iii) income on debt (interest), and (b) the components of direct investment financial flows: (i) equity capital, and (ii) other capital. These data are disseminated with a timeliness of 6 months after the end of the reference year in the OENB's *Statistisches Monatsheft* (Tabelle 7.0.1), which is also available on the following OENB website http://www2.oenb.at/stat_p.htm. The data are also reported to the IMF and the OECD for publication.

Revision Practices

The monthly data are final when first released. The quarterly data are preliminary when first released. The quarterly data for the current year are revised continuously to take account of late reporters and the revised data are disseminated quarterly together with the preliminary data for the latest quarter. The data are revised again after one year and after two years, to take account of the annual surveys results for the data on reinvested earnings. At this time they are considered to be final, that is, 24 months after the end of the reference period and 21 months after their first release.

The annual data are revised after one year and again after two years to take account of the annual survey results for the data on reinvested earnings, and are disseminated once a year together with the preliminary data for the latest year. At this time they are considered to be final, that is, 24 months after the end of the reference period and 18 months after their first release.

The revised status of the data is clearly identified in the disseminated data and the general public are informed of the reasons for the revisions in general terms. The historical data are revised back as far as feasible in instances of major changes in methodology or data collection system.

There are no differences in the revision practices between the data disseminated in the national publications and those reported to the IMF and the OECD for publication.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the data.

There are no differences in the sectoral coverage between the data disseminated in the national publications and those reported to the IMF and the OECD for publication.

Data Collection Method

The data are collected on an individual basis and the reporting requirements are compulsory.

Data Sources

The monthly data for all components are compiled from an international transactions reporting system (ITRS), which covers cash transactions made through the domestic banking system, and cash transactions made through the foreign bank accounts of enterprises, but not noncash transactions. Press reports are also used as a secondary data source for the compilation of the data on equity capital. The quarterly data on reinvested earnings are forecasts based on an extrapolation of the results of the annual surveys for the latest available years. There are plans to change to using a monthly enterprise survey as the primary data source by 2006.

The annual data for all components except reinvested earnings are compiled as the sum of the monthly data for the relevant year. The annual data for reinvested earnings are compiled from an annual enterprise survey of direct investors resident in Austria.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF and OECD for publication.

A business register of enterprises involved in direct investment is used to compile the outward direct investment transactions data. The register is maintained by the OENB and is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) a register maintained by the corporate affairs authorities, (iii) the financial press, and (iv) compulsory direct investment surveys. The same business register is used to compile the outward direct investment transactions and position data, and the inward direct investment transactions and position data.

Geographic Classification

Annual data showing breakdowns by country for the direct investment income data and direct investment financial flows data are compiled by the OENB. The data are disseminated once a year with a timeliness of 6 months after the end of the reference year in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und auslandische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data showing country breakdowns for both the direct investment financial flows and direct investment income are also reported to the OECD and Eurostat. The data cover 70 countries and bilateral data are used on occasion to crosscheck the data on direct investment financial flows.

The debtor/creditor principle is used as the basis for the geographic allocation of the data. The five countries with the largest amount of direct investment income from investment abroad by residents of Austria during 2002 (ranked in descending order) were: Hungary, Germany, the Czech Republic, the Slovak Republic, and the Netherlands. The five countries with the largest amount of direct investment financial flows from Austria during 2002 (ranked in descending order) were: the Czech Republic, Bulgaria, Poland, Croatia, and Hungary.

In addition to the data showing country breakdowns, annual data are compiled by the OENB showing breakdowns of both the direct investment income and direct investment financial flows for the following regions/economic zones: (i) the EU15, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the ASEAN countries, and (vi) the OPEC countries. These data are not disseminated, but are available on request once a year with a timeliness of 6 months after the end of the reference period.

There are no differences in the data coverage between the outward transactions data showing geographic breakdowns disseminated in the national publications and reported to the OECD and Eurostat, and the aggregate outward data on direct investment income and direct investment financial flows reported to the IMF for publication.

Industrial Classification

Annual data showing breakdowns by industrial activity for the direct investment income data and direct investment financial flows data are compiled by the OENB. The data are not disseminated in the national publications, but are available on request and are reported to the OECD and Eurostat. The data show a breakdown for 20 industrial activities. The classification used is NACE95, which broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC).

Both the data on direct investment income and direct investment financial flows are classified on the basis of the industrial activity of the resident direct investors. The five industrial activities with the largest amount of direct investment income from investment abroad by residents of Austria during 2002 (in descending order) were: (i) business activities (holdings), (ii) financial, (iii) trade and repairs, (iv) mining and quarrying, and (v) metal products. The five industrial activities with the largest amount of direct investment financial flows from Austria during 2002 (in descending order) were: (i) business activities (holdings), (ii) financial, (iii) trade and repairs, (iv) metal products, and (v) mechanical products.

Data showing breakdowns by (i) both industrial activity and main partner country, and (ii) both industrial activity and region/economic zone, are not compiled for the direct investment income data and the direct investment financial flows data.

There are no differences in the data coverage between the outward transactions data showing industrial activity breakdowns reported to the OECD and Eurostat, and the aggregate outward data on direct investment income and direct investment financial flows reported to the IMF for publication.

B. Methodology

Definition of Direct Investors

In accordance with the international standards, the basic criterion for defining resident direct investors is 10 percent ownership by a resident investor of an enterprise abroad, regardless of whether the investor has an effective voice in management—that is, enterprises abroad in which the resident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises abroad in which the resident investor owns less than 10 percent but has an effective voice in management are not included. In accordance with the international standards, the 10 percent ownership is based on the ownership of each individual resident investor or group of related resident investors, rather than being calculated by combining the holdings of all resident investors in a specific enterprise abroad or in a specific country abroad. No value threshold is used to identify resident direct investors and unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. In accordance with the FCS, the direct investment financial flows data include all equity capital transactions made directly between resident enterprises of a related group as defined in the FCS and nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other. However, the data do not include all other capital transactions between resident enterprises of a related group as defined in the FCS and nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other. Contrary to the FCS, the direct investment earnings data do not include the relevant share of all indirectly-owned direct investment enterprises.

Enterprises in Austria are not required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, or (ii) identify all transactions with the parent company.

Measurement of Direct Investment Earnings

Contrary to the international standards, the “Current Operating Performance Concept” (COPC) is not fully used to calculate direct investment earnings. In accordance with the COPC, (i) deductions are made for depreciation of capital provisions and for provisions for host-country income and corporation taxes, (ii) unrealized capital gains and losses, and unrealized exchange rate gains and losses are not included, (iii) interest receivable/payable is included, and (iv) debt repayments receivable/payable are excluded. Contrary to the COPC, realized capital gains and losses, write-offs, and realized exchange rate gains and losses are included.

Treatment of Income on Equity (Dividends and Distributed Branch Profits)

The data on dividends and distributed branch profits cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, (i) dividends and distributed branch profits are recorded gross of any withholding taxes, (ii) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, dividends and distributed branch profits for both incorporated and unincorporated enterprises are recorded on the date they are paid, rather than the date they are declared payable.

Treatment of Reinvested Earnings and Undistributed Branch Profits

The data on reinvested earnings and undistributed branch profits cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, (i) the reinvested earnings and undistributed branch profits are recorded in the period in which they are earned, (ii) the data include reinvested earnings and undistributed branch profits between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks, and (iv) when a direct investment enterprise makes a net loss, that net loss is recorded as negative reinvested earnings.

Treatment of Income on Debt (Interest)

The data on income on debt (interest) cover both incorporated enterprises and unincorporated enterprises and include interest on (i) long-term loans, (ii) short-term loans, (iii) bonds and money market instruments, and (iv) financial leases. The data do not cover interest on trade credits. In accordance with the international standards, the data do not include (i) interest on financial derivatives, and (ii) interest on deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities between affiliated banks and affiliated financial intermediaries. In accordance with the international standards, (i) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (ii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards, interest on loans and financial leases are recorded on a paid basis, rather than on an accrual basis. However, in accordance with the international standards interest on bonds and money market instruments are compiled on an accrual basis.

Treatment of Equity Capital

The equity capital transactions data cover (i) listed voting stocks (shares), (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, (i) the data include equity transactions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

Treatment of Other Capital

The other capital transactions data cover: (i) long-term loans, (ii) short-term loans, (iii) bonds and money market instruments, and (iv) financial leases. The data do not cover trade credits. In accordance with the international standards, the data exclude (i) financial derivatives, (ii) loan/debt guarantees provided by direct investors or related direct investment enterprises, (iii) changes in insurance company technical reserves, and (iv) transactions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. In accordance with the international standards, (i) the data include non-participating preference shares, (ii) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other

affiliated financial intermediaries and affiliated banks. Contrary to the international standards, the data do not include transactions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

In instances when a loan/debt guarantee provided by a direct investor is invoked following default by a direct investment enterprise, the periodic payments of principal and interest made by the guarantor are treated as direct investment lending by the guarantor and recorded under "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises" at the time the periodic payments are made.

Treatment of Reverse Investment

Transactions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity transactions are treated as "Direct Investment Abroad: Equity Capital: Increase in Claims on Affiliated Enterprises" and loan transactions are recorded as "Direct Investment Abroad: Other Capital: Increase in Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity transactions are recorded as "Portfolio Investment: Increase in Assets: Equity Securities", rather than as "Direct Investment in Austria: Equity Capital: Increase in Claims on Direct Investors". In accordance with the international standards, loan transactions are recorded as "Direct Investment in Austria: Other Capital: Increase in Claims on Direct Investors", and are reported as such to the IMF.

Treatment of Quasi-corporations

Not applicable. Quasi-corporations involving the operation abroad by residents of Austria of: (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft, and drilling rigs, have not occurred to date.

Treatment of Offshore Enterprises

In accordance with the international standards, activities of offshore enterprises established abroad by residents of Austria are included in the direct investment data.

Treatment of Special Purpose Entities (SPEs)

In accordance with the international standards, (i) activities of SPEs established abroad by residents of Austria are included in the direct investment data, with no exceptions, and (ii) in the case of SPEs established abroad by residents of Austria that have the primary purpose of financial intermediation, transactions with affiliated banks and affiliated financial intermediaries are excluded from the data, except those involving equity capital. (Contrary to the international standards, the data also exclude transactions involving permanent debt.)

Treatment of Land and Buildings

In accordance with the international standards, the equity capital data include purchases and sales of land and buildings abroad by enterprises and individuals resident in Austria. Land and buildings purchased abroad by enterprises and individuals resident in Austria on long-term leases are not included.

Treatment of Natural Resources Exploration

In accordance with the international standards, (i) expenditure related to natural resources exploration abroad by residents of Austria is included in the equity capital data, (ii) expenditure on bonus payments made by residents of Austria to the host country for the right to undertake exploration for natural resources are included in the equity capital data when there is a clear intention to establish a direct investment enterprise, and (iii) in instances of the shutdown of a direct investment enterprise established abroad by residents of Austria for natural resource exploration, no transaction to reflect that shutdown is recorded in the balance of payments statistics.

Exchange Rate Conversion

All transactions are converted to the unit of account at the average exchange rate for the period.

DIRECT INVESTMENT ABROAD

INTERNATIONAL INVESTMENT POSITION ASSETS (“OUTWARD POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability

Separately identifiable annual data are compiled by the Oesterreichische Nationalbank (OENB) within the international investment position (IIP) framework on (a) equity capital and reinvested earnings, and (b) other capital, and are disseminated with a timeliness of 18 months after the end of the reference year in the OENB's *Statistisches Monatsheft* (Tabelle 7.1.0), which is also available on the following OENB website http://www2.oenb.at/stat_p.htm. The data are also reported to the IMF and the OECD for publication.

Revision Practices

The data are final when first released.

Data Coverage

No major sectors of the economy or elements within those economic sectors are excluded from the IIP data. However, the real estate sector is excluded from the data showing breakdowns by geographic and industrial activities.

There are no differences in the sectoral coverage between the IIP data disseminated in the national publications and those reported to the IMF for publication. However, there are differences in the sectoral coverage between the data reported to the OECD and Eurostat and those reported to the IMF for publication, as the former do not include the real estate positions that are included in the IIP data reported to the IMF.

Data Collection Method

The data are collected on an aggregate basis and the reporting requirements are compulsory.

Data Sources

The data for all components are compiled from annual enterprise surveys of resident enterprises. The perpetual inventory method (a method for deriving position data from transactions data) is not used to compile the data.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF and OECD for publication.

A business register of enterprises involved in direct investment is used to compile the inward direct investment position data. The register is maintained by the OENB and is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) a register maintained by the corporate affairs authorities, (iii) the financial press, and (iv) compulsory direct investment surveys. The same business register is used to compile the inward direct investment transactions and position data, and the outward direct investment transactions and position data.

Geographic Classification

Annual data showing breakdowns by country for the outward direct investment position data are compiled by the OENB. The data are disseminated once a year with a timeliness of 18 months after the end of the reference year in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und auslandische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data showing country breakdowns for the outward direct investment position data are also reported to the OECD and Eurostat. The data cover 70 countries. The data cover 70 countries and bilateral data are used on occasion to crosscheck the data.

In accordance with the international standards, the data are compiled on the “immediate country” basis. The five countries with the largest amount of direct investment from Austria as at the end of 2001 (ranked in descending order) were: Germany, Hungary, the Czech Republic, the United States, and the United Kingdom.

In addition to the data showing country breakdowns, annual data are compiled by the OENB showing breakdowns of the outward direct investment position data for various regions/economic zones, including the following: (i) the EU15, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the ASEAN countries, and (vi) the OPEC countries. These data are disseminated with a timeliness of 18 months after the end of the reference period in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data are also reported to the OECD and Eurostat.

There are differences in the data coverage between the outward position data showing geographic breakdowns disseminated in the national publications and reported to the OECD and Eurostat, and the aggregate outward position data reported to the IMF for publication, in that the former do not include the real estate positions that are included in the aggregate data reported to the IMF.

Industrial Classification

Annual data showing breakdowns by industrial activity for the outward direct investment position data are compiled by the OENB. The data are disseminated once a year with a timeliness of 18 months after the end of the reference year in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. The data showing industrial activity breakdowns for the outward direct investment position data are also reported to the OECD and Eurostat. The data show a breakdown for 20 industrial activities. The classification used is NACE95, which broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC).

The outward direct investment position data that are disseminated are classified on the basis of the industrial activity of the nonresident direct investment enterprises. However, data classified on the basis of the resident direct investors are also available on request. The five industrial activities with the largest amount of direct investment from Austria as at the end of 2001 (in descending order) were: (i) business activities (holdings), (ii) financial, (iii) trade and repairs, (iv) chemical products, and (v) metal products.

Annual data are compiled by the OENB showing a breakdown by both industrial activity and main partner country for the outward position data and are disseminated once a year with a timeliness of 18 months after the end of the reference period in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. However, the amount of information disseminated is limited due to confidentiality constraints and the data are not reported to the OECD and Eurostat.

In addition, annual data are compiled by the OENB showing a breakdown by both industrial activity and region/economic zone for the outward position data and are disseminated once a year with a timeliness of 18 months after the end of the reference period in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6*, which is also available on the following OENB website http://www2.oenb.at/zabil/di_gesamt_p.htm. However, the amount of information disseminated is limited due to confidentiality constraints and the data are not reported to the OECD and Eurostat.

There are differences in the data coverage between the outward position data showing industrial activity breakdowns disseminated in the national publications and reported to the OECD and Eurostat, and the aggregate outward position data reported to the IMF for publication, in that the former do not include the real estate positions that are included in the aggregate data reported to the IMF.

B. Methodology

Definition of Direct Investors

In accordance with the international standards, the basic criterion for defining resident direct investors is 10 percent ownership by a resident investor of an enterprise abroad, regardless of whether the investor has an effective voice in management—that is, enterprises abroad in which the resident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises abroad in which the resident investor owns less than 10 percent but has an effective voice in management are not included. In accordance with the international standards, the 10 percent ownership is based on the ownership of each individual resident investor or group of related resident investors, rather than being calculated by combining the holdings of all resident investors in a specific enterprise abroad or in a specific country abroad. A value threshold of 73,000 Euro in voting power is used to identify resident direct investors. Unincorporated enterprises are not treated differently from incorporated enterprises.

Treatment of Indirectly Owned Direct Investment Enterprises

The “Fully Consolidated System” (FCS) recommended in the international standards is partially applied. Specifically, (i) the data do not include the relevant share of the reinvested earnings of indirectly-owned direct investment enterprises, and (ii) the data include the equity capital and other capital positions held directly by resident enterprises with selected nonresident indirectly-owned enterprises only.

Enterprises in Austria are not required by law to (i) produce consolidated accounts covering their subsidiaries and associate companies, both foreign and domestic, or (ii) identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings

The equity capital position data cover (i) listed voting stocks (shares), (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, (i) the data include equity positions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks.

The reinvested earnings data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, (i) reinvested earnings are recorded in the period in which they are earned, (ii) the data include positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks, and (iv) when a direct investment enterprise makes a net loss, that net loss is recorded as negative reinvested earnings. (See also the section on the *Measurement of Direct Investment Earnings* in the metadata on the Balance of Payments [transactions] data on Direct Investment Abroad.)

Treatment of Other Capital

The other capital position data cover: (i) long-term loans, and (ii) short-term loans. The data do not cover (i) bonds and money market instruments, (ii) trade credits, and (iii) financial leases. In accordance with the international standards, the data exclude (i) financial derivatives, (ii) loan/debt guarantees provided by direct investors or related direct investment enterprises, (iii) changes in insurance company technical reserves, and (iv) positions between affiliated banks and between affiliated financial intermediaries involving deposits, loans, and other claims and liabilities related to usual banking and financial intermediation activities. In accordance with the international standards, (i) the data include positions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (ii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. Contrary to the international standards the data do not include positions associated with permanent debt between affiliated banks and between affiliated financial intermediaries.

The treatment of instances when a loan/debt guarantee provided by a direct investor is invoked following default by a direct investment enterprise varies depending on the practices of the individual reporting enterprises, and may be treated as an equity injection in some instances and as lending in others.

Treatment of Reverse Investment

Positions involving reverse investment are not treated in accordance with the international standards in all instances.

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns at least 10 percent of its nonresident direct investor, and has therefore established a direct investment relationship in its own right, in accordance with the international standards, equity positions are treated as "Assets: Direct Investment Abroad: Equity Capital: Claims on Affiliated Enterprises" and loan positions are recorded as "Assets: Direct Investment Abroad: Other Capital: Claims on Affiliated Enterprises".

Assuming that the direct investment enterprise is a resident of Austria and the direct investor is a nonresident, when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, contrary to the international standards, equity positions are recorded as "Assets: Portfolio Investment: Equity Securities", rather than as "Liabilities: Direct Investment in Austria: Equity Capital: Claims on Direct Investors". In accordance with the international standards, loan positions are recorded as "Liabilities: Direct Investment in Austria: Other Capital: Claims on Direct Investors". Although these positions are not reported as to the IMF as "Liabilities: Direct Investment in Austria: Other Capital: Claims on Direct Investors", there are plans to begin to do so in the future.

Treatment of Quasi-corporations

Not applicable. Quasi-corporations involving the operation abroad by residents of Austria of: (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft, and drilling rigs, have not occurred to date.

Treatment of Offshore Enterprises

In accordance with the international standards, activities of offshore enterprises established abroad by residents of Austria are included in the direct investment data.

Treatment of Special Purpose Entities (SPEs)

In accordance with the international standards, (i) activities of SPEs established abroad by residents of Austria are included in the direct investment data, with no exceptions, and (ii) in the case of SPEs established abroad by residents of Austria that have the primary purpose of financial intermediation, positions with affiliated banks and affiliated financial intermediaries are excluded from the data, except those involving equity capital. (Contrary to the international standards, the data also exclude positions involving permanent debt.)

Treatment of Land and Buildings

In accordance with the international standards, the IIP equity capital data reported to the IMF include ownership of land and buildings abroad by enterprises and individuals resident in Austria. However, the detailed inward position data disseminated in the OENB's annual *Oesterreichische Direktinvestitionen in Ausland und ausländische Direktinvestitionen in oesterreich: Supplement to Statistisches Monatsberichte 6* and reported to the OECD and Eurostat do not include ownership of land and buildings in Austria by nonresident enterprises and nonresident individuals. Land and buildings owned in Austria by nonresident enterprises and nonresident individuals on long-term leases are not included.

Treatment of Natural Resources Exploration

In accordance with the international standards, expenditure related to natural resources exploration abroad by residents of Austria is included in the equity capital data. Contrary to the international standards, expenditure on bonus payments made by residents of Austria to the host country for the right to undertake exploration for natural resources is not included in the equity capital data when there is a clear intention to establish a direct investment enterprise, as the treatment in the balance sheets of the individual reporting enterprises varies depending on

whether or not each enterprise considers the payment to be an asset. Contrary to the international standards, in instances of the shutdown of a direct investment enterprise established abroad by residents of Austria for natural resource exploration, an adjustment to reflect that shutdown is not made to the assets data on direct investment equity capital in the international investment position statistics.

Valuation of Assets and Liabilities

The data on equity capital for both listed enterprises and unlisted enterprises are recorded at book values, which are the net asset value (total assets less non-equity liabilities) shown in the balance sheets of the individual reporting enterprises.

The data on other capital are recorded at book values, which are the values of the assets and liabilities shown in the balance sheets of the individual reporting enterprises.

In addition, data are disseminated at market values, which are the stock market values in the case of the listed enterprises, and estimates based on past earnings in the case of unlisted enterprises.

The book values used are those shown in the accounting records of the nonresident direct investment enterprises, rather than the resident direct investors.

Exchange Rate Conversion

All positions are converted to the unit of account at the exchange rate prevailing on the date to which the position data relate.