

This metadata describes the compilation practices, sources and methodology in use in 2001. 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”)**

[Glossary of Direct Investment Terms and Definitions](#)

DIRECT INVESTMENT IN AUSTRIA
BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)

A. Compilation Practices and Data Sources

Data Availability: Monthly data (the most timely data) are disseminated on (i) direct investment income (income on equity, and income on debt [interest] only), and (ii) direct investment financial flows (equity capital and other capital). Preliminary quarterly data are disseminated for reinvested earnings. The most timely data are disseminated with a timeliness of 6-7 weeks after the end of the reference period for the monthly data, and 3 months after the end of the reference period for the quarterly data on reinvested earnings. In addition, annual, calendar year, data (the most comprehensive data) are disseminated on (i) direct investment income (income on equity, reinvested earnings, and income on debt [interest]), and (ii) direct investment financial flows (equity capital and other capital), with a timeliness of 6 months after the end of the reference period.

Revision Policy: The monthly data are final when first released and are not revised. Revisions of the quarterly data take place on a quarterly basis until 6 months after the end of the reference year, at the time of the release of the annual data. A further revision of the quarterly and annual data takes place 12 months later, at which time the data are considered to be final, that is, 12 months after the annual data were first disseminated.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Data are collected on an individual transactions basis, and reporting requirements are compulsory.

Data Sources: The monthly data are compiled from an international transactions reporting system (ITRS). The quarterly data on reinvested earnings are compiled using information obtained from annual enterprise surveys of direct investment enterprises in Austria - the preliminary data on reinvested earnings are estimates based on surveys for earlier periods, and the actual survey results are used for the revised data. The annual data are compiled using the information from the annual enterprise surveys. Press reports are used for cross-checking the data obtained from the ITRS and surveys. A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) other statistical collection forms, and (iii) the financial press.

Geographic Classification: Annual (calendar year) data showing country breakdowns are disseminated for direct investment income and direct investment financial flows with a timeliness of 6 months after the end of the reference period for the preliminary data, and 18 months after the end of the reference period for the final data. In accordance with the international standards, the debtor/creditor principle is used as the basis for the geographic allocation of the data. Bilateral information is used in the compilation of the data. Data are disseminated showing breakdowns of both direct investment income and direct investment financial flows by regions or economic zones for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. The five countries with the largest amount of direct investment flows into Austria during the period from 1997 through 2000 (ranked in descending order) were: Germany, the Netherlands, the United Kingdom, Switzerland, and the United States.

Industrial Classification: Annual (calendar year) data showing a breakdown by industrial sector are disseminated for direct investment income and direct investment financial flows with a timeliness of 6 months after the end of the reference period. The data are based on the industry of the resident direct investment enterprise. The classification broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). A more detailed sectoral breakdown is also compiled, but is subject to confidentiality restrictions. Data showing breakdowns by industrial sector/region or economic zone are disseminated for (i) the European Union, and (ii) the OECD. Data showing breakdowns by industrial sector/partner country are not compiled.

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. Enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. No

value threshold is used to identify 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. Contrary to the FCS, (i) the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises and (ii) the other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises are generally not included. However, in accordance with the international standards, the direct investment financial flows data include the equity transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Some, but not all, enterprises in Austria are required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, and (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 earnings of direct investment enterprises. In accordance with the COPC, deductions are made to the earnings data for depreciation of capital, and for provisions for host-country income and corporation taxes. However, contrary to the COPC, realized and unrealized capital gains and losses, write-offs, and exchange rate gains or losses are included in the data. In accordance with the international standards, when a direct investment enterprise makes a loss, the net loss is recorded as negative reinvested earnings.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, dividends and distributed branch profits are recorded on the date they are paid, rather than the date they are payable. In accordance with the international standards, the data are recorded gross of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: The data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, reinvested earnings and undistributed branch profits are recorded in the period in which they are earned.

Treatment of Income on Debt (Interest): The data cover the interest income from: (i) bonds and money market instruments, (ii) long-term loans, and (iii) short-term loans. The data do not cover interest from trade credits. In accordance with the international standards, the data do not include interest from: (i) financial derivatives, and (ii) 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, the data on interest income from bonds and money market instruments are compiled on an accrual basis. However, contrary to the international standards, the data on interest from loans are compiled on a paid basis.

Treatment of Equity Capital: The data cover all types of financial flows affecting equity capital, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks (including participating preference shares), and (iv) non-cash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, the data include equity transactions between affiliated banks and between affiliated financial intermediaries.

Treatment of Other Capital: The data cover: (i) bonds and money market instruments, (ii) long-term loans, and (iii) short-term loans. The data do not cover: (i) financial leases, (ii) trade credits, and (iii) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) 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. Contrary to the international standards, the data do not include transactions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries. However, there are plans to begin to include such transactions in the data in the future.

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, equity and loan transactions are recorded in accordance with the international standards as “Direct Investment Abroad: Increase in Claims on Affiliated Enterprises”. When the direct investment enterprise owns less than 10 percent of its nonresident direct investor, loan transactions are recorded in accordance with the international standards as “Direct Investment in Austria: Increase in Claims on Direct Investors”. However, contrary to the international standards, equity transactions are recorded as “Portfolio Investment: Increase in Assets: Equity Securities”, rather than as “Direct Investment in Austria: Increase in Claims on Direct Investors”.

Treatment of Quasi-corporations: Contrary to the international standards, the direct investment data do not include the activities of quasi-corporations involving the operation in Austria by nonresidents of construction enterprises. There are no quasi-corporations involving the operation in Austria by nonresidents of mobile equipment, such as ships, aircraft, and drilling rigs, at present.

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 generally included in the direct investment data, and (ii) in the case of SPEs established in Austria by nonresidents that have the sole purpose of financial intermediation, transactions with affiliated banks and affiliated financial intermediaries, except transactions in equity capital and permanent debt, are excluded from the data.

Treatment of Land and Buildings: In accordance with the international standards, the data include purchases and sales of land and buildings in Austria by nonresident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration in Austria by nonresidents.

Exchange Rate Conversion: Most transactions are converted to the unit of account at the average exchange rate in the period in which the transactions are recorded. Reinvested earnings are converted to the unit of account at the exchange rate prevailing at the end of the period.

DIRECT INVESTMENT IN AUSTRIA
INTERNATIONAL INVESTMENT POSITION (“POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability: Annual (calendar year) data on (i) equity capital and reinvested earnings, and (ii) other capital, are disseminated with a timeliness of 18 months after the end of the reference period.

Revision Policy: Not applicable. The data are final when first released.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Reporting requirements are compulsory.

Data Sources: The data are compiled primarily from annual enterprise surveys of direct investment enterprises in Austria. The data on ownership of land are compiled from an international transactions reporting system (ITRS), using the perpetual inventory method (a method for deriving position data from transactions data). No adjustments are made to these transactions for price changes, or exchange rate changes. A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) other statistical collection forms, and (iii) the financial press.

Geographic Classification: Annual (calendar year) data showing country breakdowns are disseminated with a timeliness of 18 months after the end of the reference period. In accordance with the international standards, the data are compiled on an “immediate country” basis. In addition, data compiled on an “ultimate beneficiary owner concept” are compiled for reporting to the OECD and Eurostat for publication. Bilateral information is used in the compilation of the data. Data are disseminated showing breakdowns by regions or economic zones for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. The five countries with the largest amount of direct investment in Austria as at the end of 2000 (ranked in descending order) were: Germany, Switzerland, the Netherlands, the United States, and the United Kingdom.

Industrial Classification: Annual (calendar year) data showing a breakdown by industrial sector are disseminated with a timeliness of 18 months after the end of the reference period. The data are based on the industry of the resident direct investment enterprise. The classification broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). A more detailed sectoral breakdown is also compiled, but is subject to confidentiality restrictions. Data showing breakdowns by industrial sector/region or economic zone are disseminated for (i) the European Union, and (ii) the OECD. Data showing breakdowns by industrial sector/partner country are also disseminated.

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. Enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. However, a value threshold of 1 million Schilling (72,000 Euro) in shareholding is used to identify direct investment enterprises. 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 relevant share of indirectly-owned direct investment enterprises is not included in the reinvested earnings data, and (ii) the equity and other capital position data include the relevant share of selected indirectly-owned direct investment enterprises only. Some, but not all, enterprises in Austria are required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, and (ii) identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings: The data cover all types of position data affecting equity capital and reinvested earnings, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks, including participating preference shares, (iv) non-cash acquisitions of equity, such as through the provision of capital equipment, and (v) reinvested earnings. In accordance with the international standards, the data include equity positions between affiliated banks and between affiliated financial intermediaries. The reinvested earnings data cover both incorporated enterprises and unincorporated

enterprises, and, in accordance with the international standards, are recorded in the period in which they are earned. (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 data cover: (i) long-term loans, and (iii) short-term loans. The data do not cover: (i) bonds and money market instruments, (ii) financial leases, (iii) trade credits, and (iv) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) 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. Contrary to the international standards, the data do not include positions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries. However, there are plans to begin to include such positions in the data in the future.

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, equity and loan positions are recorded in accordance with the international standards as "Assets: Direct Investment Abroad: Claims on Affiliated Enterprises". When the direct investment enterprise owns less than 10 percent of its nonresident direct investor, loan positions are recorded in accordance with the international standards as "Liabilities: Direct Investment in Austria: Claims on Direct Investors" However, contrary to the international standards, equity positions are recorded as "Assets: Portfolio Investment: Equity Securities", rather than as "Liabilities: Direct Investment in Austria: Claims on Direct Investors".

Treatment of Quasi-corporations: Contrary to the international standards, the direct investment data do not include the activities of quasi-corporations involving the operation in Austria by nonresidents of construction enterprises. There are no quasi-corporations involving the operation in Austria by nonresidents of mobile equipment, such as ships, aircraft, and drilling rigs, at present.

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 generally included in the direct investment data, and (ii) in the case of SPEs established in Austria by nonresidents that have the sole purpose of financial intermediation, positions with affiliated banks and affiliated financial intermediaries, except positions involving equity capital and permanent debt, are excluded from the data.

Treatment of Land and Buildings: In accordance with the international standards, the data disseminated in the international investment position (IIP) statement include ownership of land and buildings in Austria by nonresident enterprises and individuals. However, contrary to the international standards, the direct investment data disseminated in the national publications do not include ownership of land and buildings in Austria by nonresident individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration in Austria by nonresidents.

Valuation: The data are recorded at book values derived from the liabilities side of balance sheets of the resident direct investment enterprises. Estimates of the market value recommended in the international standards are also disseminated.

Exchange Rate Conversion: The exchange rate prevailing on the day to which the position data relate is used to convert foreign currencies into the unit of account.

AUSTRIA: DIRECT INVESTMENT ABROAD
BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)

A. Compilation Practices and Data Sources

Data Availability: Monthly data (the most timely data) are disseminated on (i) direct investment income (income on equity, and income on debt [interest] only), and (ii) direct investment financial flows (equity capital and other capital). Preliminary quarterly data are disseminated for reinvested earnings. The most timely data are disseminated with a timeliness of 6-7 weeks after the end of the reference period for the monthly data, and 3 months after the end of the reference period for the quarterly data on reinvested earnings. In addition, annual, calendar year, data (the most comprehensive data) are disseminated on (i) direct investment income (income on equity, reinvested earnings, and income on debt [interest]), and (ii) direct investment financial flows (equity capital and other capital), with a timeliness of 6 months after the end of the reference period.

Revision Policy: The monthly data are final when first released and are not revised. Revisions of the quarterly data take place on a quarterly basis until 6 months after the end of the reference year, at the time of the release of the annual data. A further revision of the quarterly and annual data takes place 12 months later, at which time the data are considered to be final, that is, 12 months after the annual data were first disseminated.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Data are collected on an individual transactions basis, and reporting requirements are compulsory.

Data Sources: The monthly data are compiled from an international transactions reporting system (ITRS). The quarterly data on reinvested earnings are compiled using information obtained from annual enterprise surveys of residents with direct investment enterprises abroad - the preliminary data on reinvested earnings are estimates based on surveys for earlier periods, and the actual survey results are used for the revised data. The annual data are compiled using the information from the annual enterprise surveys. Press reports are used for cross-checking the data obtained from the ITRS and surveys. A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) other statistical collection forms, and (iii) the financial press.

Geographic Classification: Annual (calendar year) data showing country breakdowns are disseminated for direct investment income and direct investment financial flows with a timeliness of 6 months after the end of the reference period for the preliminary data, and 18 months after the end of the reference period for the final data. In accordance with the international standards, the debtor/creditor principle is used as the basis for the geographic allocation of the data. Bilateral information is used in the compilation of the data. Data are disseminated showing breakdowns of both direct investment income and direct investment financial flows by regions or economic zones for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. The five countries with the largest amount of direct investment flows from Austrian residents during the period from 1997 through 2000 (ranked in descending order) were: Germany, the Czech Republic, Hungary, the United Kingdom, and the Slovak Republic.

Industrial Classification: Annual (calendar year) data showing a breakdown by industrial sector are disseminated for direct investment income and direct investment financial flows, with a timeliness of 6 months after the end of the reference period. The data disseminated are based on the industry of the nonresident direct investment enterprise. Data based on the industry of the resident direct investor are also available on request. The classification broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). A more detailed sectoral breakdown is also compiled, but is subject to confidentiality restrictions. Data showing breakdowns by industrial sector/region or economic zone are disseminated for (i) the European Union, and (ii) the OECD. Data showing breakdowns by industrial sector/partner country are not compiled.

B. Methodology

Definition of Direct Investors Abroad: In accordance with the international standards, the basic criterion for defining direct investors abroad is 10 percent ownership of a nonresident enterprise by a resident investor, regardless of whether the investor has an effective voice in management. Investors which own less than 10

percent of a direct investment enterprise but have an effective voice in management are not included. No value threshold is used to identify direct investors abroad, 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. Contrary to the FCS, (i) the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises and (ii) the other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises are generally not included. However, in accordance with the international standards, the direct investment financial flows data include the equity transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Some, but not all, enterprises in Austria are required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, and (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 earnings of direct investment enterprises. In accordance with the COPC, deductions are made to the earnings data for depreciation of capital, and for provisions for host-country income and corporation taxes. However, contrary to the COPC, realized and unrealized capital gains and losses, write-offs, and exchange rate gains or losses are included in the data. In accordance with the international standards, when a direct investment enterprise makes a loss, the net loss is recorded as negative reinvested earnings.

Treatment of Income on Equity (Dividends and Distributed Branch Profits): The data cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, dividends and distributed branch profits are recorded on the date they are paid, rather than the date they are payable. In accordance with the international standards, the data are recorded gross of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: The data cover both incorporated enterprises and unincorporated enterprises. In accordance with the international standards, reinvested earnings and undistributed branch profits are recorded in the period in which they are earned.

Treatment of Income on Debt (Interest): The data cover the interest income from: (i) bonds and money market instruments, (ii) long-term loans, and (iii) short-term loans. The data do not cover interest from trade credits. In accordance with the international standards, the data do not include interest from: (i) financial derivatives, and (ii) 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, the data on interest income from bonds and money market instruments are compiled on an accrual basis. However, contrary to the international standards, the data on interest from loans are compiled on a paid basis.

Treatment of Equity Capital: The data cover all types of financial flows affecting equity capital: (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks (including participating preference shares), and (iv) non-cash acquisitions of equity, such as through the provision of capital equipment. In accordance with the international standards, the data include equity transactions between affiliated banks and between affiliated financial intermediaries.

Treatment of Other Capital: The data cover: (i) bonds and money market instruments, (ii) long-term loans, and (iii) short-term loans. The data do not cover: (i) financial leases, (ii) trade credits, and (iii) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) 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. Contrary to the international standards, the data do not include transactions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries. However, there are plans to begin to include such transactions in the data in the future.

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, equity and loan transactions are recorded in accordance with the international standards as “Direct Investment Abroad: Increase in Claims on Affiliated Enterprises”. When the direct investment enterprise owns less than 10 percent of its nonresident direct investor, loan transactions are recorded in accordance with the international standards as “Direct Investment in Austria: Increase in Claims on Direct Investors”. However, contrary to the

international standards, equity transactions are recorded as "Portfolio Investment: Increase in Assets: Equity Securities", rather than as "Direct Investment in Austria: Increase in Claims on Direct Investors".

Treatment of Quasi-corporations: Contrary to the international standards, the direct investment data do not include the activities of quasi-corporations involving the operation abroad by Austrian residents of construction enterprises. There are no quasi-corporations involving the operation abroad by Austrian residents of mobile equipment, such as ships, aircraft, and drilling rigs, at present.

Treatment of Offshore Enterprises: Not applicable. There are no offshore enterprises established abroad by Austrian residents at present.

Treatment of Special Purpose Entities (SPEs): In accordance with the international standards, (i) activities of SPEs established abroad by Austrian residents are generally included in the direct investment data, and (ii) in the case of SPEs established abroad by Austrian residents that have the sole purpose of financial intermediation, transactions with affiliated banks and affiliated financial intermediaries, except transactions in equity capital and permanent debt, are excluded from the data.

Treatment of Land and Buildings: In accordance with the international standards, the data include purchases and sales of land and buildings abroad by Austrian resident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration abroad by Austrian residents.

Exchange Rate Conversion: Most transactions are converted to the unit of account at the average exchange rate in the period in which the transactions are recorded. Reinvested earnings are converted to the unit of account at the exchange rate prevailing at the end of the period.

AUSTRIA: DIRECT INVESTMENT ABROAD
INTERNATIONAL INVESTMENT POSITION (“POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability: Annual (calendar year) data on (i) equity capital and reinvested earnings, and (ii) other capital, are disseminated with a timeliness of 18 months after the end of the reference period.

Revision Policy: Not applicable. The data are final when first released.

Data Coverage: No major industrial sectors are excluded from the data.

Data Collection Methods: Reporting requirements are compulsory.

Data Sources: The data are compiled primarily from annual enterprise surveys of residents with direct investment enterprises abroad. The data on ownership of land are compiled from an international transactions reporting system (ITRS), using the perpetual inventory method (a method for deriving position data from transactions data). No adjustments are made to these transactions for price changes, or exchange rate changes. A business register of enterprises involved in direct investment is maintained. This register is updated on an annual basis using information from (i) the ITRS's list of transactors, (ii) other statistical collection forms, and (iii) the financial press.

Geographic Classification: Annual (calendar year) data showing country breakdowns are disseminated with a timeliness of 18 months after the end of the reference period. In accordance with the international standards, the data are compiled on an “immediate country” basis. Bilateral information is used in the compilation of the data. Data are disseminated showing breakdowns by regions or economic zones for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. The five countries with the largest amount of direct investment from Austrian residents as at the end of 2000 (ranked in descending order) were: Germany, the United States, the Czech Republic, Hungary, and the United Kingdom.

Industrial Classification: Annual (calendar year) data showing a breakdown by industrial sector are disseminated with a timeliness of 18 months after the end of the reference period. The data are based on both (i) the industry of the resident direct investor and (ii) the industry of the nonresident direct investment enterprise. The classification broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). A more detailed sectoral breakdown is also compiled, but is subject to confidentiality restrictions. Data showing breakdowns by industrial sector/region or economic zone are disseminated for (i) the European Union, and (ii) the OECD. Data showing breakdowns by industrial sector/partner country are also disseminated.

B. Methodology

Definition of Direct Investors Abroad: In accordance with the international standards, the basic criterion for defining direct investors abroad is 10 percent ownership of a nonresident enterprise by a resident investor, regardless of whether the investor has an effective voice in management. Investors which own less than 10 percent of a direct investment enterprise but have an effective voice in management are not included. However, a value threshold of 1 million Schilling (72,000 Euro) in shareholding is used to identify direct investment enterprises abroad. 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 relevant share of indirectly-owned direct investment enterprises is not included in the reinvested earnings data, and (ii) the equity and other capital position data include the relevant share of selected indirectly-owned direct investment enterprises only. Some, but not all, enterprises in Austria are required by law to (i) produce consolidated accounts covering their subsidiaries and associates, either domestic or foreign, and (ii) identify all transactions with the parent company.

Treatment of Equity Capital and Reinvested Earnings: The data cover all types of position data affecting equity capital and reinvested earnings, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks, (iii) other non-voting stocks, including participating preference shares, (iv) non-cash acquisitions of equity, such as through the provision of capital equipment, and (v) reinvested earnings. In accordance with the international standards, the data include equity positions between affiliated banks and between affiliated financial

intermediaries. The reinvested earnings data cover both incorporated enterprises and unincorporated enterprises, and, in accordance with the international standards, are recorded in the period in which they are earned. (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 data cover: (i) long-term loans, and (ii) short-term loans. The data do not cover: (i) bonds and money market instruments, (ii) financial leases, (iii) trade credits, and (iv) financial derivatives. In accordance with the international standards, the data exclude (i) loans merely guaranteed by direct investors or related direct investment enterprises, (ii) changes in insurance company technical reserves, and (iii) 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. Contrary to the international standards, the data do not include positions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries. However, there are plans to begin to include such positions in the data in the future.

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, equity and loan positions are recorded in accordance with the international standards as "Assets: Direct Investment Abroad: Claims on Affiliated Enterprises". When the direct investment enterprise owns less than 10 percent of its nonresident direct investor, loan positions are recorded in accordance with the international standards as "Liabilities: Direct Investment in Austria: Claims on Direct Investors". However, contrary to the international standards equity positions are recorded as "Assets: Portfolio Investment: Equity Securities", rather than as "Liabilities: Direct Investment in Austria: Claims on Direct Investors".

Treatment of Quasi-corporations: Contrary to the international standards, the direct investment data do not include the activities of quasi-corporations involving the operation abroad by Austrian residents of construction enterprises. There are no quasi-corporations involving the operation abroad by Austrian residents of mobile equipment, such as ships, aircraft, and drilling rigs, at present.

Treatment of Offshore Enterprises: Not applicable. There are no offshore enterprises established abroad by Austrian residents at present.

Treatment of Special Purpose Entities (SPEs): In accordance with the international standards, (i) activities of SPEs established abroad by Austrian residents are generally included in the direct investment data, and (ii) in the case of SPEs established abroad by Austrian residents that have the sole purpose of financial intermediation, positions with affiliated banks and affiliated financial intermediaries, except positions involving equity capital and permanent debt, are excluded from the data.

Treatment of Land and Buildings: In accordance with the international standards, the data disseminated in the international investment position (IIP) statement include ownership of land and buildings abroad by Austrian resident enterprises and individuals. However, contrary to the international standards, the direct investment data disseminated in the national publications do not include ownership of land and buildings abroad by Austrian resident individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, the data include expenditure related to natural resources exploration abroad by Austrian residents.

Valuation: The data are recorded at book values derived from the liabilities side of balance sheets of the resident direct investment enterprises. Estimates of the market value recommended in the international standards are also disseminated.

Exchange Rate Conversion: The exchange rate prevailing on the day to which the position data relate is used to convert foreign currencies into the unit of account.