

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.

Greece:

Direct Investment Compilation Practices, Data Sources and Methodology

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Direct Investment in Greece

- **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 GREECE

BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)

A. Compilation Practices and Data Sources

Data Availability: Quarterly data 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) are disseminated with a timeliness of 12 weeks after the end of the reference period. In addition, monthly data 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), and annual (calendar year) data on reinvested earnings are compiled, but not disseminated.

Revision Policy: The data are generally considered to be final when first released. Although revisions can be made in the case of significant errors, such revisions are rare.

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 data are compiled from an international transactions reporting system (ITRS). Annual enterprise surveys of direct investment enterprises in Greece, and published data sources, such as company accounts, are used as data sources for the reinvested earnings data. A business register of enterprises involved in direct investment is maintained. This register is updated on an ongoing basis using information from (i) the ITRS's list of transactors, (ii) other statistical collection forms, (iii) regional branches of the Bank of Greece, (iv) registers maintained by corporate affairs and stock exchange authorities, industry associations, and other departments within the Bank of Greece, and (v) the financial press.

Geographic Classification: Quarterly data showing country breakdowns are disseminated for direct investment income and direct investment financial flows with a timeliness of 12 weeks after the end of the reference period. The transactor principle, rather than 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 (vi) OPEC. The five countries with the largest amount of direct investment flows into Greece (ranked in descending order) were: (i) the United Kingdom, the United States, Italy, France, and Luxembourg during 1999, (ii) Spain, France, Italy, the United Kingdom, and the United States during 2000, and (iii) Portugal, the Netherlands, the United Kingdom, Denmark and the United States during 2001.

Industrial Classification: Quarterly data showing a breakdown by industrial sector are disseminated for direct investment income and direct investment financial flows with a timeliness of 12 weeks 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). Data showing a more detailed sectoral breakdown based on the NACE classification used by Eurostat and the OECD are also disseminated. Data showing breakdowns by industrial sector/region or economic zone, are disseminated for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. Data showing breakdowns by industrial sector/partner country are also disseminated.

B. Methodology

Definition of Direct Investment Enterprises in Greece: In accordance with the international standards, the basic criterion for defining direct investment enterprises in Greece 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 not applied. Specifically, (i) the direct investment earnings data do

not include the relevant share of indirectly-owned direct investment enterprises, and (ii) the direct investment financial flows data do not include the equity and other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Enterprises in Greece 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. However, enterprises below a specified size are exempted from these requirements.

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, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, and (ii) unrealized capital gains and losses are not included. Contrary to the COPC, realized capital gains and losses, write-offs, and exchange rate gains or losses are included. 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 (i) on the date they are paid, rather than the date they are payable, and (ii) net, rather than gross, of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: Data on reinvested earnings and undistributed branch profits are compiled but not disseminated. 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 interest income from: (i) bonds and money market instruments, (ii) long-term loans, and (iii) short-term loans. The data do not cover interest income 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 are compiled on an accrual basis.

Treatment of Equity Capital: The data cover: (i) listed voting stocks (shares), (ii) unlisted voting stocks, and (iii) other non-voting stocks (including participating preference shares). The data do not cover noncash 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, (iii) short-term loans, (iv) financial leases, and (v) trade credits. The data do not cover 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. In accordance with the international standards, the data include transactions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Transactions involving reverse investment are treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Greece and the direct investor is a nonresident, (i) 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 as “Direct Investment Abroad: Increase in Claims on Affiliated Enterprises”; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan transactions are recorded as “Direct Investment in Greece: Increase in Claims on Direct Investors”.

Treatment of Quasi-corporations: In accordance with the international standards, the data include the activities of quasi-corporations involving the operation in Greece by nonresidents of construction enterprises. Quasi-corporations involving the operation in Greece by nonresidents of mobile equipment, such as ships, aircraft, and drilling rigs, cannot be identified at present.

Treatment of Offshore Enterprises: Contrary to the international standards, activities of offshore enterprises established in Greece by nonresidents are not generally included in the direct investment data. However, in most cases the beneficial owners of offshore enterprises established in Greece are Greek residents.

Treatment of Special Purpose Entities (SPEs): To the extent that they are identified in the source data, (i) activities of SPEs established in Greece by nonresidents are generally included in the direct investment data, and (ii) in the case of SPEs established in Greece 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 Greece by nonresident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, expenditure related to natural resources exploration in Greece by nonresidents is included in the direct investment data.

Exchange Rate Conversion: Most transactions are converted to the unit of account at the exchange rate prevailing on the day of the transaction, but some transactions involving interest income are converted 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 GREECE

INTERNATIONAL INVESTMENT POSITION (“POSITION DATA”)

A. Compilation Practices and Data Sources

Data Availability: Preliminary annual (calendar year) data on (i) equity capital and reinvested earnings, and (ii) other capital, are disseminated with a timeliness of 36 weeks after the end of the reference period.

Revision Policy: The data are considered to be final 3 months after they are 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 Greece. Press reports and information obtained from an international transactions reporting system (ITRS) are also used for cross-checking the data obtained from the surveys. The perpetual inventory method (a method for deriving position data from transactions data) is used to compile preliminary estimates. A business register of enterprises involved in direct investment is maintained. This register is updated on an ongoing basis using information from (i) the ITRS’s list of transactors, (ii) other statistical collection forms, (iii) regional branches of the Bank of Greece, (iv) registers maintained by corporate affairs and stock exchange authorities, industry associations, and other departments within the statistical agency, and (v) the financial press.

Geographic Classification: Annual data showing country breakdowns are disseminated with a timeliness of 36 weeks 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 in Greece (ranked in descending order) were: (i) the Netherlands, Luxembourg, France, Germany and the United Kingdom as at the end of 1999, and (ii) the Netherlands, Luxembourg, Germany, France, and the United Kingdom as at the end of 2000.

Industrial Classification: Annual data showing a breakdown by industrial sector are disseminated with a timeliness of 36 weeks 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). Data showing a more detailed sectoral breakdown based on the NACE classification used by Eurostat and the OECD are also disseminated. Data showing breakdowns by industrial sector/region or economic zone, are disseminated for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. Data showing breakdowns by industrial sector/partner country are also disseminated.

B. Methodology

Definition of Direct Investment Enterprises in Greece: In accordance with the international standards, the basic criterion for defining direct investment enterprises in Greece 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. In accordance with the FCS, the relevant share of indirectly-owned direct investment enterprises is included in the equity and other capital position data. However, contrary to the FCS, the relevant share of indirectly-owned direct investment enterprises is not included in the reinvested earnings data. Enterprises in Greece 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. However, enterprises below a specified size are exempted from these requirements.

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) noncash 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 Greece.)

Treatment of Other Capital: The data cover: (i) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) financial leases, (v) trade credits, and (vi) 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. In accordance with the international standards, the data include positions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Positions involving reverse investment are treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Greece and the direct investor is a nonresident, (i) 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 as "Assets: Direct Investment Abroad: Claims on Affiliated Enterprises"; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan positions are recorded as "Liabilities: Direct Investment in Greece: Claims on Direct Investors".

Treatment of Quasi-corporations: In accordance with the international standards, the data include the activities of quasi-corporations involving the operation in Greece by nonresidents of construction enterprises. Quasi-corporations involving the operation in Greece by nonresidents of mobile equipment, such as ships, aircraft, and drilling rigs, cannot be identified at present.

Treatment of Offshore Enterprises: Contrary to the international standards, activities of offshore enterprises established in Greece by nonresidents are not generally included in the direct investment data.

Treatment of Special Purpose Entities (SPEs): In accordance with the international standards, (i) activities of SPEs established in Greece by nonresidents are generally included in the direct investment data, and (ii) in the case of SPEs established in Greece 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 include ownership of land and buildings in Greece by nonresident enterprises and individuals.

Treatment of Natural Resources Exploration: In accordance with the international standards, expenditure related to natural resources exploration in Greece by nonresidents is included in the direct investment data.

Valuation: Contrary to the international standards, the data are recorded primarily at book values, rather than market values. The book values used are the values recorded in the accounting records of the individual reporting enterprises. However, traded equity securities are recorded at the market value on the last day of the reference period.

Exchange Rate Conversion: The exchange rate prevailing on the day the stocks were acquired is used to convert foreign currencies into the unit of account.

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

A. Compilation Practices and Data Sources

Data Availability: Quarterly data 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) are disseminated with a timeliness of 12 weeks after the end of the reference period. In addition, monthly data 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), and annual (calendar year) data on reinvested earnings are compiled, but not disseminated.

Revision Policy: The data are generally considered to be final when first released. Although revisions can be made in the case of significant errors, such revisions are rare.

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 data are compiled from an international transactions reporting system (ITRS). Annual enterprise surveys of residents with direct investment enterprises abroad and published data sources, such as company accounts, are used as data sources for the reinvested earnings data. A business register of enterprises involved in direct investment is maintained. This register is updated on an ongoing basis using information from (i) the ITRS's list of transactors, (ii) other statistical collection forms, (iii) regional branches of the Bank of Greece, (iv) registers maintained by corporate affairs and stock exchange authorities, industry associations, and other departments within the Bank of Greece, and (v) the financial press.

Geographic Classification: Quarterly data showing country breakdowns are disseminated for direct investment income and direct investment financial flows with a timeliness of 12 weeks after the end of the reference period. The transactor principle, rather than the debtor/creditor principle, is used as the basis for the geographic allocation of the data. Bilateral information is not 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 Greece (ranked in descending order) were: (i) the United States, the United Kingdom, Cyprus, Italy, and the Netherlands during 1999, (ii) the United Kingdom, the United States, Cyprus, Germany, and Albania during 2000, and (iii) the United States, the United Kingdom, Cyprus, Germany, and Albania during 2001.

Industrial Classification: Quarterly data showing a breakdown by industrial sector are disseminated for direct investment income and direct investment financial flows with a timeliness of 12 weeks after the end of the reference period. The data are based on the industry of the resident direct investor. The classification broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). Data showing a more detailed sectoral breakdown based on the NACE classification used by Eurostat and the OECD are also disseminated. Data showing breakdowns by industrial sector/region or economic zone, are disseminated for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. 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. 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 not applied. Specifically, (i) the direct investment earnings data do not include the relevant share of indirectly-owned direct investment enterprises, and (ii) the direct investment financial flows data do not include the equity and other capital transactions between resident enterprises and nonresident enterprises of the same group of related enterprises. Enterprises in Greece 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. However, enterprises below a specified size are exempted from these requirements.

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 COPC, (i) deductions are made for depreciation of capital, and for provisions for host-country income and corporation taxes, and (ii) unrealized capital gains and losses are not included. Contrary to COPC, realized capital gains and losses, write-offs, and exchange rate gains or losses are included. 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 (i) on the date they are paid, rather than the date they are payable, and (ii) net, rather than gross, of any withholding taxes.

Treatment of Reinvested Earnings and Undistributed Branch Profits: Data on reinvested earnings and undistributed branch profits are compiled but not disseminated. 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 interest income from: (i) bonds and money market instruments, (ii) long-term loans, and (iii) short-term loans. The data do not cover interest income 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 are compiled on an accrual basis.

Treatment of Equity Capital: The data cover: (i) listed voting stocks (shares), (ii) unlisted voting stocks, and (iii) other non-voting stocks (including participating preference shares). The data do not cover noncash 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, (iii) short-term loans, (iv) financial leases, and (v) trade credits. The data do not cover 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. In accordance with the international standards, the data include transactions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Transactions involving reverse investment are treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Greece and the direct investor is a nonresident, (i) 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 as “Direct Investment Abroad: Increase in Claims on Affiliated Enterprises”; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan transactions are recorded as “Direct Investment in Greece: Increase in Claims on Direct Investors”.

Treatment of Quasi-corporations: In accordance with the international standards, the data include the activities of quasi-corporations involving the operation abroad by Greek residents of construction enterprises. Quasi-corporations involving the operation abroad by Greek residents of mobile equipment, such as ships, aircraft, and drilling rigs, cannot be identified at present.

Treatment of Offshore Enterprises: Contrary to the international standards, activities of offshore enterprises established abroad by Greek residents are not generally included in the direct investment data.

Treatment of Special Purpose Entities (SPEs): To the extent that they are identified in the source data, (i) activities of SPEs established abroad by Greek residents are generally included in the direct investment data, and (ii) in the case of SPEs established abroad by Greek 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 Greek 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 Greek residents.

Exchange Rate Conversion: Most transactions are converted to the unit of account at the exchange rate prevailing on the day of the transaction, but some transactions involving interest income are converted 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.

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

A. Compilation Practices and Data Sources

Data Availability: Preliminary annual (calendar year) data on (i) equity capital and reinvested earnings, and (ii) other capital, are disseminated with a timeliness of 36 weeks after the end of the reference period.

Revision Policy: The data are considered to be final 3 months after they are 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. Press reports and information obtained from an international transactions reporting system (ITRS) are also used for cross-checking the data obtained from the surveys. The perpetual inventory method (a method for deriving position data from transactions data) is used to compile preliminary estimates. A business register of enterprises involved in direct investment is maintained. This register is updated on an ongoing basis using information from (i) the ITRS's list of transactors, (ii) other statistical collection forms, (iii) regional branches of the Bank of Greece, (iv) registers maintained by corporate affairs and stock exchange authorities, industry associations, and other departments within the statistical agency, and (v) the financial press.

Geographic Classification: Annual data showing country breakdowns are disseminated with a timeliness of 36 weeks 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 Greece (ranked in descending order) were: (i) Cyprus, Romania, Luxembourg, the United Kingdom, and the United States as at the end of 1999, and (ii) Cyprus, the United Kingdom, Romania, the United States, and Luxembourg as at the end of 2000.

Industrial Classification: Annual data showing a breakdown by industrial sector are disseminated with a timeliness of 36 weeks after the end of the reference period. The data are based on the industry of the resident direct investor. The classification broadly corresponds to the nine major divisions of the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). Data showing a more detailed sectoral breakdown based on the NACE classification used by Eurostat and the OECD are also disseminated. Data showing breakdowns by industrial sector/region or economic zone, are disseminated for: (i) the European Union, (ii) EFTA, (iii) the OECD, (iv) NAFTA, (v) the CIS countries, (vi) ASEAN, and (vii) OPEC. 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. 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. In accordance with the FCS, the relevant share of indirectly-owned direct investment enterprises is included in the equity and other capital position data. Contrary to the FCS, the relevant share of indirectly-owned direct investment enterprises is not included in the reinvested earnings data. Enterprises in Greece 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. However, enterprises below a specified size are exempted from these requirements.

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) noncash 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) bonds and money market instruments, (ii) long-term loans, (iii) short-term loans, (iv) financial leases, (v) trade credits, and (vi) 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. In accordance with the international standards, the data include positions associated with permanent debt (that is, loan capital representing a permanent interest) between affiliated banks and between affiliated financial intermediaries.

Treatment of Reverse Investment: Positions involving reverse investment are treated in accordance with the international standards. Assuming that the direct investment enterprise is a resident of Greece and the direct investor is a nonresident, (i) 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 as "Assets: Direct Investment Abroad: Claims on Affiliated Enterprises"; and (ii) when the direct investment enterprise owns less than 10 percent of its nonresident direct investor, equity and loan positions are recorded as "Liabilities: Direct Investment in Greece: Claims on Direct Investors".

Treatment of Quasi-corporations: In accordance with the international standards, the data include the activities of quasi-corporations involving the operation abroad by Greek residents of construction enterprises. Quasi-corporations involving the operation abroad by Greek residents of mobile equipment, such as ships, aircraft, and drilling rigs, cannot be identified at present.

Treatment of Offshore Enterprises: Contrary to the international standards, activities of offshore enterprises established abroad by residents are not generally 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 Greek residents are generally included in the direct investment data, and (ii) in the case of SPEs established abroad by Greek 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 include ownership of land and buildings abroad by Greek 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 Greek residents.

Valuation: Contrary to the international standards, the data are recorded primarily at book values, rather than market values. The book values used are the values recorded in the accounting records of the individual reporting enterprises. However, traded equity securities are recorded at the market value on the last day of the reference period.

Exchange Rate Conversion: The exchange rate prevailing on the day the stocks were acquired is used to convert foreign currencies into the unit of account.