



OESTERREICHISCHE NATIONALBANK  
EUROSYSTEM

# STATISTIKEN

Special Issue

## Austria's International Investment Position in 2008

Special issues of the “Statistiken – Daten & Analysen” series provide detailed information on special statistical topics.

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**Paper**

*Printed on environmentally friendly paper*

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**Imprint**

*Publisher and editor:*

*Oesterreichische Nationalbank*

*Otto-Wagner-Platz 3, 1090 Vienna, Austria*

*Günther Thonabauer, Communications Division*

*Internet: www.oenb.at*

*Printed by: Oesterreichische Nationalbank, 1090 Vienna, Austria*

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**DVR 0031577**

**Vienna, 2010**



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## Preface

The most recent events in international financial markets have turned the spotlight on the drawbacks of precisely those developments that have frequently been regarded as key drivers behind our welfare gains in the past three decades. The globalized network of financial markets was expected to make financing and investment as efficient and transparent as possible, and capital was assumed to move, at the lowest possible cost, to those parts of the globe in which it could be utilized most productively. But the developments of the year 2008 were a wake-up call: they exposed the fallibility of this system and signaled that it would have to be improved. Given the innovative power of the rapidly expanding financial market, investors and supervisors alike were faced with ever more sophisticated instruments in ever bigger numbers, so that it was increasingly harder for them to fathom the full scope of the interaction between financial products and markets.

As seen through the lens of a statistics expert, it became clear in 2008 that the available statistics reflect most of the complex network of our globalized economy quite accurately and

transparently. At the same time, the turbulent events in the financial markets also turned up a good number of white spots on this economic map. Many crucial economic cause-and-effect relationships remain uncharted. The highly heterogeneous and unpredictable financial derivatives segment is a case in point: it continues to baffle statistics experts, and for the most part cannot be accurately captured in a timely manner. One obvious conclusion may be drawn from the current financial crisis: Financial statistics must be improved to capture micro- and macroeconomic relationships better, ideally making it possible to help prevent crisis developments in the future, and at least providing for better analysis and greater explanatory power.

The OeNB's financial statistics publication series "Statistiken – Daten & Analysen" is dedicated to informing readers about topical and interesting developments in Austria's economy. This special issue of "Statistiken" deals with the collection and analysis of statistical data related to recent developments in Austrian cross-border assets and liabilities.

# 1 Key Developments in 2008<sup>1</sup>

Matthias Fuchs<sup>2</sup>

## 1.1 Global Framework

By virtue of hindsight, it has become clear that the severe financial crisis in 2008 took a heavy toll on the highly internationalized Austrian financial sector. In particular the securities segment – the backbone of cross-border financial transactions – suffered dramatically under the global uncertainty about economic developments. The worldwide collapse of stock markets entailed massive valuation losses and a marked

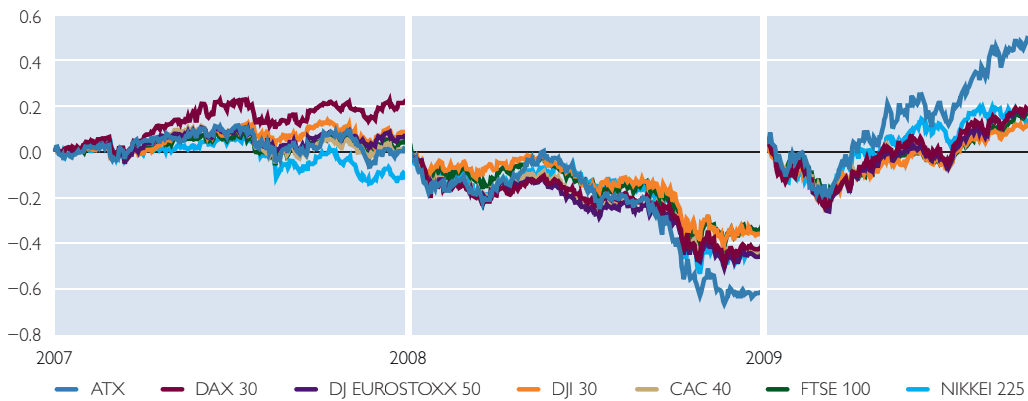
reduction in gross financial assets and liabilities.

Financial asset quality was also materially affected by exchange rate fluctuations in 2008. Notably from mid-2008, global portfolio shifts caused volatility in the foreign exchange markets to augment substantially: Until mid-June 2008, the U.S. dollar first lost around 10% compared with its starting exchange rate in 2008, only to rise 15% above its initial value at times

Chart 1

### Development of Key Stock Indices

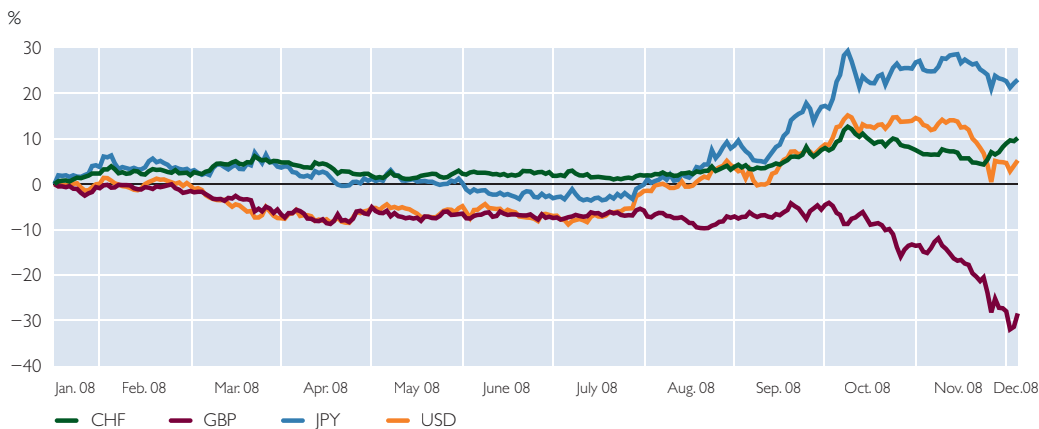
Change from the beginning of the year in %



Source: Thomson Reuters.

Chart 2

### Development of Key Currencies against the Euro



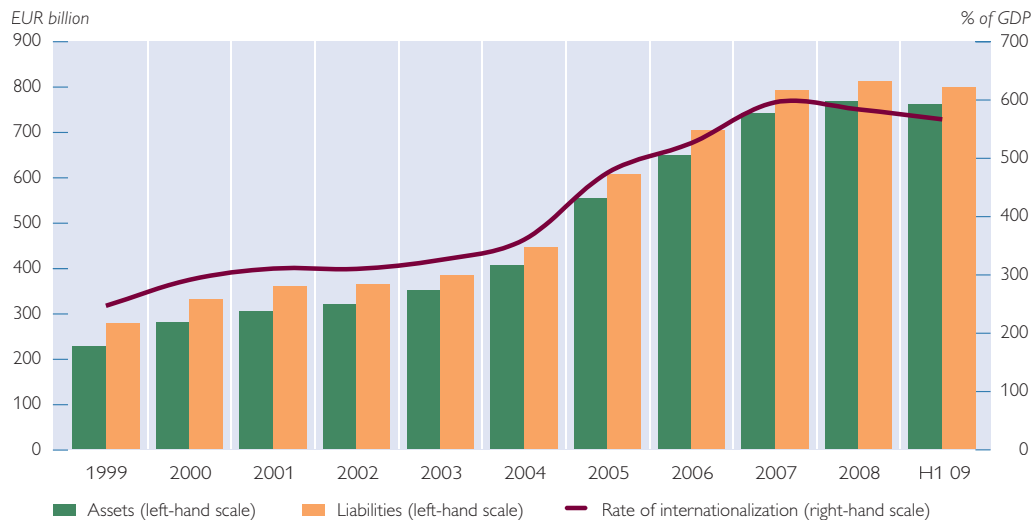
Source: Thomson Reuters.

<sup>1</sup> Editorial close: December 15, 2009.

<sup>2</sup> Matthias.Fuchs@oebn.at

Chart 3

### Austria's Degree of Financial Openness



Source: OeNB.

Note 2008: Preliminary data, 2009: Estimates.

during the third quarter. The Japanese yen's exchange rate also fluctuated sharply. At the end of 2008, it had gained roughly a quarter of its starting value against the euro, and the pound sterling had declined by the same measure.

#### 1.2 First-Time Decrease in Austria's Financial Globalization Rate in 2008

Austria's financial globalization suffered a setback for the first time since international investment statistics have been drawn up (chart 3). The combined sum of Austria's cross-border financial assets and liabilities – i.e. its rate of internationalization – totaled 582% of GDP at end-2008, a 12 percentage point decline from 2007. This contrasts with partly considerable increases in the past. At the end of 2008, Austria's external financial assets ran to EUR 767 billion, external financial liabilities to EUR 810 billion. The net international investment position thus came to –EUR 43 billion (2007: –EUR 50 billion). In other words, Austria's

cross-border capital market operations resulted in a slight improvement in its net position. As a rule, the reduction of net debt also reduces the future interest rate burden. Improvements in the net debtor position stemmed from net positions for direct investment (+EUR 14 billion), loans as well as currency and deposits (+EUR 27 billion) and financial derivatives (+EUR 4 billion).

The increase in financial assets clearly outpaced that of financial liabilities in these categories. Conversely, securities investment made a negative contribution of –EUR 38 billion to the international investment position, which reflects both investors' flight from international securities (–EUR 9 billion) and asset price losses (–EUR 35 billion). However, Austria's securities liabilities diminished only marginally, above all because the public sector and banks issued securities.

The currency breakdown of Austrian external financial assets indicates a leading role for euro investment (just under 60%), followed by high shares of

Table 1

### Currency Breakdown of Austrian External Financial Assets at End-2008

	Exchange rates	Prices	Transactions	End-of-period value
Assets in EUR billion				
U.S. dollar	5.5	-7.8	1.2	74.8
Euro	0.0	-20.0	29.9	444.8
Swiss franc	12	-2.7	3.3	116.3
Pound sterling	-2.7	-1.2	-0.4	10.1
Japanese yen	1.7	-0.9	-2.0	4.8
Other	-6.3	-6.6	27.5	115.9
<b>Total</b>	<b>10.2</b>	<b>-39.2</b>	<b>59.5</b>	<b>766.7</b>

Source: OeNB.

Note: Discrepancies arise from rounding.

Swiss franc (15%) and U.S. dollar (10%) investment.

### 1.3 General Dynamics Determined by Slump on Securities Markets

The collapse of stock markets across the world had a drastic impact on Austrian investors' holdings of external financial security assets. Stocks price losses of roughly EUR 16 billion accounted for roughly half of all price losses on securities in 2008, even though stocks comprised only 7% of all external financial assets.

The crisis hit Austrian investors as early as in the first quarter 2008, causing price losses of EUR 5.6 billion in external financial assets (chart 4). After a brief recovery until mid-2008, global

financial market instability in the third and fourth quarters of 2008 again resulted in losses of EUR 5 billion each. Price losses thus caused a 44% reduction in the value of Austrian investors' external financial assets in the course of 2008. In a breakdown by investment regions, equities issued by German debtors suffered the greatest losses; the decline came to just under EUR 3 billion. Losses on holdings in the U.S.A. (-EUR 2.3 billion), Russia (-EUR 1.5 billion) and Switzerland (-EUR 1.1 billion) followed.

In 2008, international investors lost their appetite for equities on Wiener Börse AG for the time being. Stock prices plummeted by roughly EUR 29 billion (-60%) in only 12 months, more than canceling all gains made

Table 2

### Impact of Price and Exchange Rate Changes on Austrian Cross-Border Portfolio Investment

	2007	Exchange rates	Prices	Transactions	Total	2008
Assets, EUR billion						
Portfolio investment	274.7	1.5	-36.2	-9.3	-34.7	230.9
Equity securities	68.1	0.8	-24.0	-5.7	-23.3	39.2
Stocks	37.0	0.2	-16.3	-5.0	-16.1	15.9
Mutual fund shares	31.1	0.6	-7.8	-0.7	-7.2	23.3
Debt securities	206.6	0.7	-12.1	-3.7	-11.4	191.7

Source: OeNB.

Note: Discrepancies arise from rounding.

### Impact of Price Effects on Equity Securities



Source: OeNB.

during the ATX boom years from 2004 through 2006 (EUR 27 billion). In the third quarter of 2008, price losses jumped by more than EUR 12 billion, only to fall by an additional EUR 10 billion until the end of the year. But preliminary data for the first half of 2009 confirm a trend reversal that gained strength from the spring of 2009 in international stock markets: During this period, Austrian equities held by foreign investors gained EUR 3 billion. According to estimates, the value of Austrian investors' stock portfolios appears to have risen by about EUR 1 billion.

Debt securities developed along more stable lines, with price losses running to EUR 12 billion or 6% of debt security assets. Conversely, foreign investors' gains on their holdings of Austrian debt securities came to just under EUR 5 billion or 2% of Austrian debt security liabilities.

The net position on Austria's international securities transactions was strongly negative in 2008, given a sharp

decline in external assets (–EUR 44 billion) in the face of a comparatively minor decline in external liabilities (just under –EUR 6 billion). The negative net position is essentially attributable to the debt security segment, in which assets declined by EUR 15 billion while liabilities widened by EUR 32 billion. By contrast, assets stemming from equity and mutual fund transactions closed with a positive net balance of EUR 9 billion, given that the asset decline of EUR 29 billion was more than offset by the –EUR 38 billion reduction in liabilities.

The growing uncertainty in the securities markets prompted investors to opt for safer havens, as reflected by the rise in banks' loan as well as currency and deposit business: In 2008, banks boosted cross-border lending assets by EUR 18.5 billion. Moreover, they made exchange rate gains of some EUR 1.5 billion. Financial market developments were hard to predict, which made short-term, highly liquid investment attractive already in the first half of



2008. External assets stemming from deposits were raised by EUR 11 billion, and exchange rate gains on this segment came to more than EUR 2 billion. By contrast, banks cut their currency and deposit liabilities by nearly EUR 4 billion. On balance, the lending and deposit business made a clearly positive contribution of EUR 27 billion to the international investment position, partly offsetting the sharp rise in the negative net securities position (–EUR 38 billion).

#### 1.4 Austria's Investment Portfolio Stabilized by Euro Area Securities

The financial crisis clearly showed that the umbrella of a large monetary union stands a small country like Austria in good stead. Thanks to its euro area membership, Austria was able to stave off detrimental exchange rate volatility of the type that has recently plagued a number of countries with an independent monetary policy. The bulk of

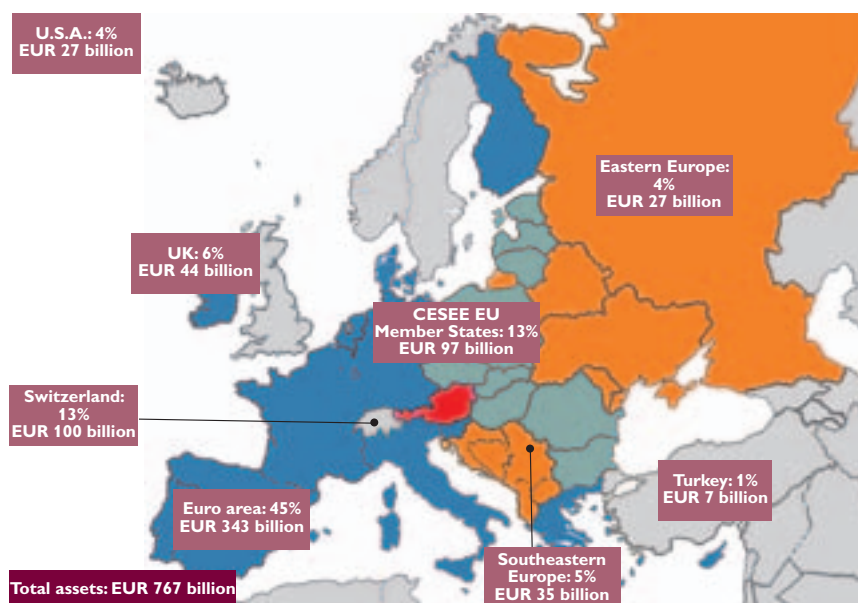
Austria's external financial assets (EUR 343 billion or 45%) remains invested in comparatively highly stable euro area countries and is thus free from exchange rate risk (chart 5).

At the same time, other countries with a highly developed financial infrastructure – such as the U.S.A., the U.K. and Switzerland – are key financial partners in raising and investing financial capital. Although the most recent financial crisis is not a suitable example of the advantages of such financial relationships, financial networks generally represent an element of stability that counterbalances investment in more risky growth markets – such as the Central, Eastern and South-eastern European (CESEE) market, whose importance for Austria is still growing.

Austrian external financial assets are broadly diversified geographically. Assets held in euro area countries are five times as high as the volume of funds invested in Eastern and Southeastern

Chart 5

#### Regional Breakdown of Austria's External Financial Assets



Source: OeNB (June 2009).

Europe (roughly EUR 60 billion) and three times as high as the volume of funds invested in the CESEE countries which joined the EU in 2004 or 2007 (nearly EUR 100 billion). The default risk associated with assets invested in the CESEE EU Member States is, however, far smaller than the default risk associated with other CESEE countries.

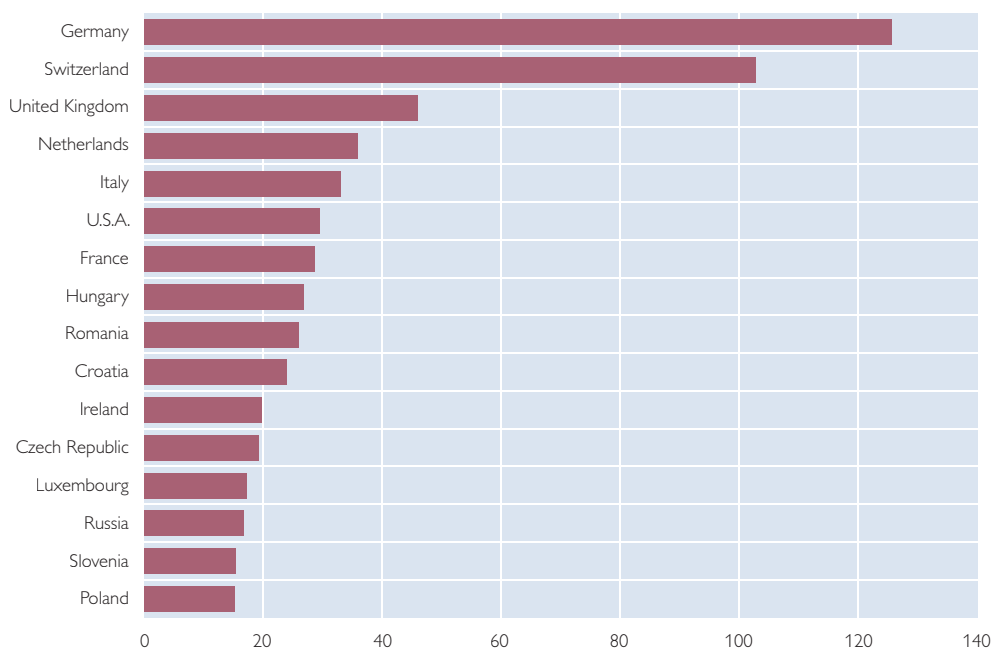
A breakdown of external assets by individual countries also demonstrates

the prevalence of euro area countries as investment destinations for Austrian capital (chart 6). Austrian investors held almost as much capital in Germany alone as in the six top-ranked CESEE growth markets. Nevertheless, the top rankings of countries like Hungary, Croatia and Romania bear witness to the enormous pace of change, considering that external financial investment in these countries only just got under way the early 1990s.

Chart 6

### Austria's External Financial Assets by Destination

EUR billion



Source: OeNB.

Note: Includes portfolio investment, deposits and loans, and FDI (including special purpose entities).

## 2 Notes

### 2.1 Compilation Method for and Analytical Value of the International Investment Position

Austria's IIP is drawn up on the basis of the specifications laid down in the fifth edition of the IMF's Balance of Payments Manual. The IIP reflects the stock of Austrian external financial assets and liabilities on a specific date; and the net IIP is the difference between the stock of financial assets and the stock of financial liabilities.

Thus, the IIP framework provides for a full explanation of the net changes in the stock of external financial assets between two reporting dates. This net change is the result of both transactions (increase and decrease in stocks of assets and liabilities) and non-transaction-related changes. The latter include differences (exchange rate or price changes) in the value of stocks at two dates and accounting changes, such as writedowns.

The IIP is subclassified by function – direct investment, portfolio investment, other investment and reserve assets – by analogy to the balance of payments financial account. The regional breakdown of external assets and liabilities provides insight into the financial links to specific economic areas. Within a national reporting system, a regional breakdown may be made for all asset categories, and for liabilities under direct investment and other investment. A breakdown of liabilities from securities investment is dependent on the availability of additional information, as the underlying data do not provide any information on the country of residence of the holders of Austrian-issued

securities. Using an international data exchange system such as the CPIS<sup>3</sup> framework allows for a good approximation, though.

Stock data are more stable and therefore provide much more reliable structural information than transaction data alone, which are frequently subject to large fluctuations over time. Hence, IIP data are especially suitable for tracking the long-term changes in the external financing structure of an economy. Furthermore, classifying financial instruments into equity and debt securities provides valuable analytical information, in particular in assessing default risk and future investment income opportunities on external assets. Finally, an economy's net international investment position needs to be judged from the perspective of IIP developments over time. A persistent net debtor position resulting from the financing of consumption will, naturally, have to be seen in a more critical light than a net debtor position resulting from the financing of productive fixed capital formation.

### 2.2 Links between the International Investment Position, the Balance of Payments and the Financial Accounts

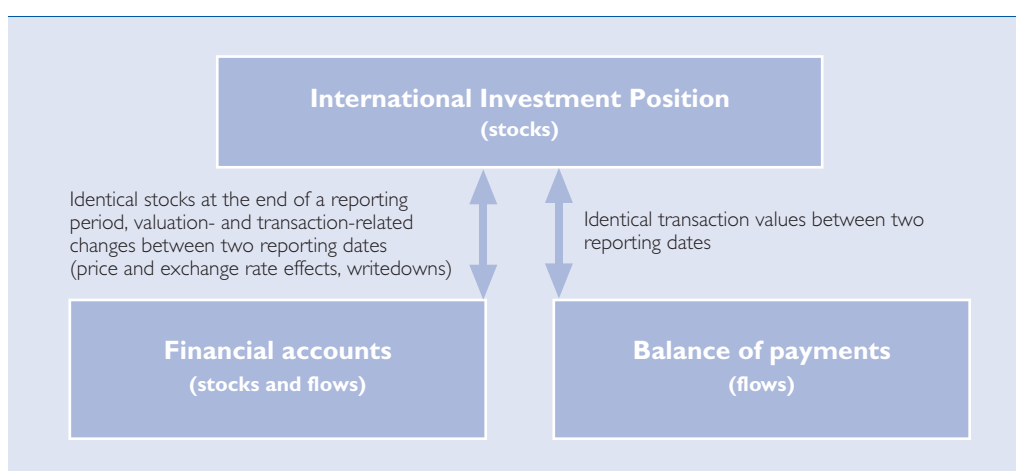
The international investment position, the balance of payments and the financial accounts are indicators of an economy's national wealth and financing situation, and, based on common definitions, represent its external economic relations.

<sup>3</sup> *Coordinated Portfolio Investment Survey of the IMF. Within the framework of this survey, currently some 70 countries, including all major industrial countries, provide a breakdown of their stock of portfolio investment assets by the country of residency of the nonresident issuer. A country-by-country breakdown of regional portfolio liabilities is possible using the consolidated survey data.*

### 2.2.1 Balance of Payments and International Investment Position

As delineated above, the IIP separately presents net changes in stocks associated with transaction-related changes and non-transaction-related changes (volume and price changes). Transaction-related changes fully correspond

to the financial account of the balance of payments, which presents flows in a (given) period – more precisely, in the period between two reporting dates. Identical concepts of economic territory, residence, and center of economic interest and of financial instruments are used in both external statistics.



### 2.2.2 Financial Accounts and International Investment Position

The financial account is part of the system of national accounts; it is the financial complement to the nonfinancial part of the national accounts. The European System of Accounts (ESA 95) provides the basis for the national accounts definitions of the EU Member States; the System of National Accounts (SNA 93) is applicable internationally.

The financial account captures the financial relationships between the individual institutional sectors of the domestic economy, namely nonfinancial corporations (companies), households, general government and financial corporations (e.g. banks, insurance companies, pension funds), and with the rest of the world. Thus, it provides an accurate picture of capital interlinkages in a given economy. The financial

account statistics depict stocks at a specific date and transactions within a recording period.

Within the financial account framework, the IIP puts the spotlight on cross-border financial relationships (external assets and liabilities). While the emphasis of the financial account is on highlighting the role of individual sectors, the IIP classifies financial assets and liabilities by functional category, i.e. financing instruments: direct investment (strategic foreign direct investment), portfolio investment (securities investment), other investment (loans as well as currency and deposits), and reserve assets. This breakdown – which is not directly evident from the financial account data – provides additional insights into the structure of financial relationships and investors' economic objectives.

## 3 Glossary

**Banks:** All financial corporations (except the OeNB) and quasi-corporations which are principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units other than monetary financial institutions, and, for their own account, to grant loans and/or to make investments in securities.

**Bonds and notes:** Debt securities with an original maturity of more than one year.

**Currency and deposits:** Banknotes, base metal coins, bimetallic coins, silver coins, transferable deposits with banks (personal checking accounts, sight deposits), time deposits, saving deposits and cash pooling accounts.

**Direct investment:** International investment that reflects the objective of a resident entity in one economy to obtain a lasting interest in an entity resident in an economy other than that of the investor, and supplies of other capital to further enterprise operations. The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. This distinguishes direct investment, which is motivated primarily by the objective of exercising a significant influence through an effective voice in management, from portfolio investment, which is motivated primarily by financial gain. Direct investment must represent ownership of at least 10% of the ordinary shares or voting power. Holdings totaling EUR 72,000 and over must be reported. Direct investment comprises equity capital and reinvested earnings as well as other capital (intercompany debt transactions).

**Equity securities:** stocks and mutual fund shares.

**General government:** Central government, regional governments, local governments, social security funds as well as public trade associations and organizations.

**Households:** Individuals (excluding own-account workers) and nonprofit institutions with a separate legal personality that are principally engaged in the production of nonmarket goods and services and serve households (in Austria, e.g. trade unions, churches and private foundations).

**International Investment Position (IIP):** A financial statement that presents an economy's stock of external financial assets and liabilities on a specific date. The net international investment position is the stock of external financial assets minus the stock of external liabilities and comprises the categories direct investment, portfolio investment, other investment and reserve assets. Additionally, the IIP is the complete statistical statement of stocks of external assets and liabilities on the basis of current market values including detailed breakdowns by regions, sectors and instruments

**Money market instruments:** Debt securities with an original term to maturity of one year or less.

**Nonfinancial corporations:** According to the European System of Accounts (ESA 95), institutional units whose distributive and financial transactions are distinct from those of their owners and which are market producers whose principal activity is the production of goods and nonfinancial services.

**Other financial institutions:** In particular, mutual funds, pension funds and insurance corporations.

**Other investment:** All investment not classified under direct investment, portfolio investment, financial derivatives or reserve assets. This includes, in

particular, currency and deposits, and long- and short-term loans.

**Other sectors:** Comprises other financial intermediaries, nonfinancial corporations, and households.

**Portfolio investment:** Cross-border investment in equity securities and debt securities in the form of bonds and notes, and money market instruments

**Rate of internationalization:** Ratio of total external assets and liabilities to GDP. This ratio serves as an indicator of an economy's degree of internationalization.

**Reserve assets:** External assets that are readily available to an economy. They must be under the effective control of the relevant monetary authority, and comprise highly liquid, marketable and creditworthy foreign currency-

denominated claims on non-monetary area residents, plus gold, SDRs and the reserve position in the IMF.

**Special Drawing Rights (SDRs):** An international reserve asset of IMF member countries that may be used e.g. to acquire foreign exchange in case of balance of payments difficulties. The IMF's website ([www.imf.org](http://www.imf.org)) provides detailed information about SDRs.

**Special Purpose Entities (SPEs):** In OeNB external statistics, SPEs denote holdings owned by nonresidents that in turn hold shares of nonresident enterprises and that engage in only minimal economic activity in Austria. SPE transactions are to be statistically represented both as inward and as outward direct investment.

# 4 Tables

Table 1a

## International Investment Position

End-of-period stocks	Assets		Liabilities		Net position	
	2007 <sup>1</sup>	2008 <sup>2</sup>	2007 <sup>1</sup>	2008 <sup>2</sup>	2007 <sup>1</sup>	2008 <sup>2</sup>
<i>EUR billion</i>						
<b>Direct investment</b>						
<i>of which: special purpose entities</i>	80,092	89,212	79,392	79,739	699	9,472
<i>land</i>	2,716	2,832	3,010	3,009	-294	-177
Equity capital and reinvested earnings	177,874	195,547	167,363	174,423	10,511	21,125
Other capital	6,028	9,931	25,527	26,115	-19,499	-16,184
<b>Total</b>	<b>183,902</b>	<b>205,478</b>	<b>192,890</b>	<b>200,538</b>	<b>-8,988</b>	<b>4,940</b>
<b>Portfolio investment</b>						
Equity securities, total	68,139	39,198	71,413	33,599	-3,274	5,600
Monetary authorities	1,874	2,075	0	0	1,874	2,075
General government	135	97	0	0	135	97
Banks	3,045	2,040	8,872	3,751	-5,828	-1,711
Other sectors	63,086	34,987	62,540	29,848	545	5,139
Debt securities, total	206,587	191,700	292,177	324,273	-85,590	-132,574
Bonds and notes, total	202,483	188,673	277,831	301,278	-75,348	-112,605
Monetary authorities	8,250	9,017	0	0	8,250	9,017
General government	785	792	122,169	132,671	-121,383	-131,879
Banks	92,929	86,663	131,751	143,588	-38,822	-56,924
Other sectors	100,520	92,201	23,911	25,019	76,608	67,182
Money market instruments, total	4,103	3,026	14,345	22,995	-10,242	-19,969
Monetary authorities	474	52	0	0	474	52
General government	0	0	746	7,460	-745	-7,459
Banks	2,038	1,565	13,481	15,527	-11,444	-13,962
Other sectors	1,591	1,409	118	8	1,473	1,401
<b>Total</b>	<b>274,726</b>	<b>230,898</b>	<b>363,590</b>	<b>357,872</b>	<b>-88,864</b>	<b>-126,974</b>
<b>Other investment</b>						
Trade credits	8,426	8,961	6,819	8,181	1,607	780
Loans, total	110,523	134,832	37,903	42,973	72,619	91,859
Monetary authorities	0	0	0	0	0	0
General government	321	3,647	9,983	10,243	-9,663	-6,596
Banks	86,179	106,173	0	0	86,179	106,173
<i>of which: long-term</i>	67,211	89,312	0	0	67,211	89,312
Other sectors	24,024	25,012	27,920	32,730	-3,896	-7,718
Currency and deposits, total	138,470	155,101	175,687	185,238	-37,216	-30,137
Monetary authorities <sup>3</sup>	1,638	1,172	26,101	35,702	-24,464	-34,530
General government	1,070	4,980	0	0	1,070	4,980
Banks	132,139	145,569	149,585	149,536	-17,447	-3,967
<i>of which: short-term</i>	79,914	74,900	116,874	109,773	-36,960	-34,873
Other sectors	3,624	3,380	0	0	3,624	3,380
Other investment, total	4,590	5,177	5,218	4,121	-627	1,056
Monetary authorities	117	117	0	0	117	117
General government	1,291	1,084	2,058	761	-767	323
Banks	1,682	2,122	0	0	1,682	2,122
Other sectors	1,500	1,854	3,159	3,360	-1,659	-1,507
<b>Total</b>	<b>262,009</b>	<b>304,072</b>	<b>225,626</b>	<b>240,513</b>	<b>36,383</b>	<b>63,558</b>
<b>Financial derivatives</b>	<b>6,772</b>	<b>14,210</b>	<b>7,547</b>	<b>10,745</b>	<b>-775</b>	<b>3,466</b>
<b>Reserve assets</b>						
Gold <sup>4</sup>	5,115	5,595	x	x	5,115	5,595
SDRs	158	219	x	x	158	219
Reserve position in the Fund	133	260	x	x	133	260
Foreign exchange, total	6,972	5,925	x	x	6,972	5,925
Currency and deposits, total	2,412	1,232	x	x	2,412	1,232
With monetary authorities	1,735	1,231	x	x	1,735	1,231
With banks	677	0	x	x	677	0
Securities	4,556	4,691	x	x	4,556	4,691
Equity securities	0	0	x	x	0	0
Debt securities	4,132	3,967	x	x	0	0
Money market instruments	424	724	x	x	0	0
Financial derivatives	4	2	x	x	4	2
Other assets	0	0	x	x	0	0
<b>Total</b>	<b>12,378</b>	<b>11,999</b>	<b>x</b>	<b>x</b>	<b>12,378</b>	<b>11,999</b>
<b>External assets and liabilities</b>	<b>739,787</b>	<b>766,657</b>	<b>789,653</b>	<b>809,668</b>	<b>-49,866</b>	<b>-43,011</b>

Source: OeNB.

<sup>1</sup> Final data.

<sup>2</sup> Revised data.

<sup>3</sup> Liabilities with a negative sign may result on account of ESCB TARGET-related accounting rules.

<sup>4</sup> Valued at market prices.

Table 1b

### International Investment Position – Structural Data by Categories

End of-period stocks	Assets		Liabilities	
	2007 <sup>1</sup>	2008 <sup>2</sup>	2007 <sup>1</sup>	2008 <sup>2</sup>
	% of assets		% of liabilities	
<b>Direct investment</b>				
<i>of which: special purpose entities</i>	10.8	11.6	10.1	9.8
<i>land</i>	0.4	0.4	0.4	0.4
Equity capital and reinvested earnings	24.0	25.5	21.2	21.5
Other capital	0.8	1.3	3.2	3.2
<b>Total</b>	<b>24.9</b>	<b>26.8</b>	<b>24.4</b>	<b>24.8</b>
<b>Portfolio investment</b>				
Equity securities, total	9.2	5.1	9.0	4.1
Monetary authorities	0.3	0.3	0.0	0.0
General government	0.0	0.0	0.0	0.0
Banks	0.4	0.3	1.1	0.5
Other sectors	8.5	4.6	7.9	3.7
Debt securities, total	27.9	25.0	37.0	40.1
Bonds and notes, total	27.4	24.6	35.2	37.2
Monetary authorities	1.1	1.2	0.0	0.0
General government	0.1	0.1	15.5	16.4
Banks	12.6	11.3	16.7	17.7
Other sectors	13.6	12.0	3.0	3.1
Money market instruments, total	0.6	0.4	1.8	2.8
Monetary authorities	0.1	0.0	0.0	0.0
General government	0.0	0.0	0.1	0.9
Banks	0.3	0.2	1.7	1.9
Other sectors	0.2	0.2	0.0	0.0
<b>Total</b>	<b>37.1</b>	<b>30.1</b>	<b>46.0</b>	<b>44.2</b>
<b>Other investment</b>				
Trade credits	1.1	1.2	0.9	1.0
Loans, total	14.9	17.6	4.8	5.3
Monetary authorities	0.0	0.0	0.0	0.0
General government	0.0	0.5	1.3	1.3
Banks	11.6	13.8	0.0	0.0
<i>of which: long-term</i>	9.1	11.6	0.0	0.0
Other sectors	3.2	3.3	3.5	4.0
Currency and deposits, total	18.7	20.2	22.2	22.9
Monetary authorities	0.2	0.2	3.3	4.4
General government	0.1	0.6	0.0	0.0
Banks	17.9	19.0	18.9	18.5
<i>of which: short-term</i>	10.8	9.8	14.8	13.6
Other sectors	0.5	0.4	0.0	0.0
Other	0.6	0.7	0.7	0.5
Monetary authorities	0.0	0.0	0.0	0.0
General government	0.2	0.1	0.3	0.1
Banks	0.2	0.3	0.0	0.0
Other sectors	0.2	0.2	0.4	0.4
<b>Total</b>	<b>35.4</b>	<b>39.7</b>	<b>28.6</b>	<b>29.7</b>
<b>Financial derivatives</b>	<b>0.9</b>	<b>1.9</b>	<b>0.0</b>	<b>0.0</b>
<b>Reserve assets</b>				
Gold	0.7	0.7	x	x
SDRs	0.0	0.0	x	x
Reserve position in the Fund	0.0	0.0	x	x
Foreign exchange, total	0.9	0.8	x	x
Currency and deposits, total	0.3	0.2	x	x
With monetary authorities	0.2	0.2	x	x
With banks	0.1	0.0	x	x
Securities	0.6	0.6	x	x
Equity securities	0.0	0.0	x	x
Debt securities	0.0	0.0	x	x
Money market instruments	0.0	0.0	x	x
Financial derivatives	0.0	0.0	x	x
Other assets	0.0	0.0	x	x
<b>Total</b>	<b>1.7</b>	<b>1.6</b>	<b>x</b>	<b>x</b>
<b>External assets and liabilities</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: OeNB.

<sup>1</sup> Final data.<sup>2</sup> Revised data.



Table 2

**International Investment Position – Indicators<sup>1</sup>**

End-of-period stocks	EUR million	% of GDP	% of exports of goods and services	% of external liabilities
<b>External assets</b>				
1999	224,717	112	271	81
2000	279,572	133	311	85
2001	302,934	140	291	85
2002	318,651	144	285	88
2003	350,238	155	303	92
2004	403,685	171	344	91
2005	552,684	226	462	91
2006	648,039	252	493	92
2007	739,787	288	516	94
2008	766,657	283	483	95
<b>External liabilities</b>				
1999	276,798	133	334	x
2000	330,486	157	368	x
2001	357,706	169	343	x
2002	363,081	164	324	x
2003	382,484	169	331	x
2004	444,224	188	379	x
2005	605,569	248	506	x
2006	701,143	273	533	x
2007	789,653	307	551	x
2008	809,668	299	510	x
<b>Net position</b>				
1999	-52,081	19	-63	19
2000	-50,914	19	-57	15
2001	-54,772	20	-53	15
2002	-44,431	25	-40	12
2003	-32,246	15	-28	8
2004	-40,539	18	-35	9
2005	-52,886	22	-44	9
2006	-53,104	22	-40	8
2007	-49,866	19	-35	6
2008	-43,011	16	-27	5

Source: OeNB.

<sup>1</sup> 2007: Revised data, 2008: preliminary data.

Table 3

### International Investment Position – Breakdown of Change

	End-of-period stocks 2007 <sup>1</sup>	Change in positions in 2008			End-of-period stocks 2008 <sup>2</sup>
		Total	Trans- actions	Non- transaction- related change	
<i>EUR million</i>					
Direct investment	183,902	+21,576	+20,655	+921	205,478
Portfolio investment	274,726	-43,828	-9,349	-34,478	230,898
<i>Equity securities</i>	68,139	-28,941	-5,655	-23,286	39,198
<i>Debt securities</i>	206,587	-14,887	-3,695	-11,192	191,700
Other investment	262,009	+42,062	+38,008	+4,054	304,072
Financial derivatives	6,772	+7,439	+10,788	-3,350	14,210
Reserve assets	12,378	-379	-593	+213	11,999
<b>External assets</b>	<b>739,787</b>	<b>+26,870</b>	<b>+59,509</b>	<b>-32,640</b>	<b>766,657</b>
Direct investment	192,890	+7,648	+9,824	-2,177	200,538
Portfolio investment	363,590	-5,718	+16,886	-22,604	357,872
<i>Equity securities</i>	71,413	-37,814	-4,867	-32,947	33,599
<i>Debt securities</i>	292,177	+32,097	+21,753	+10,343	324,273
Other investment	225,626	+14,887	+10,105	+4,782	240,513
Financial derivatives	7,547	+3,197	+10,641	-7,443	10,745
<b>External liabilities</b>	<b>789,653</b>	<b>+20,015</b>	<b>+47,457</b>	<b>-27,442</b>	<b>809,668</b>
Direct investment	-8,988	+13,928	+10,831	+3,098	4,940
Portfolio investment	-88,864	-38,110	-26,236	-11,874	-126,974
<i>Equity securities</i>	-3,274	+8,874	-787	+9,661	5,600
<i>Debt securities</i>	-85,590	-46,984	-25,448	-21,535	-132,574
Other investment	36,383	+27,175	+27,903	-727	63,558
Financial derivatives	-775	4,241	147	4,094	3,466
Reserve assets	12,378	-379	-593	+213	11,999
<b>Net position</b>	<b>-49,866</b>	<b>+6,855</b>	<b>+12,053</b>	<b>-5,197</b>	<b>-43,011</b>

Source: OeNB.

<sup>1</sup> Final data.<sup>2</sup> Revised data.

Table 4

### International Investment Position – Regional Breakdown

	Total	EU-27	Euro area	of which Germany	Non-euro area residents	of which: Eastern and Southeastern Europe <sup>1</sup>	of which: U.S.A.
<i>EUR million</i>							
<i>End-of-period stocks 2008<sup>2</sup></i>							
Direct investment	205,478	78,863	44,043	17,175	161,435	16,951	3,709
Direct investment	230,898	186,566	154,531	55,039	76,367	1,871	16,006
Portfolio investment	39,198	27,372	24,811	8,228	14,388	497	3,717
Equity securities	191,700	159,194	129,720	46,811	61,980	1,374	12,289
Debt securities	304,072	218,337	137,628	51,240	166,442	38,362	7,797
Other investment	14,210	x	x	x	x	x	x
Reserve assets	11,999	x	x	x	11,999	x	x
<b>External assets</b>	<b>766,657</b>	<b>483,767</b>	<b>336,202</b>	<b>123,455</b>	<b>416,243</b>	<b>57,184</b>	<b>27,512</b>
Direct investment	200,538	99,653	88,954	30,582	111,584	4,448	58,492
Portfolio investment	357,872	x	x	x	x	x	x
Other investment	240,513	168,770	141,856	59,943	98,658	8,816	8,663
Financial derivatives	10,745	x	x	x	x	x	x
<b>External liabilities</b>	<b>809,668</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<i>End-of-period stocks 2007<sup>3</sup></i>							
Direct investment	183,902	70,520	36,594	14,721	147,308	15,824	3,124
Portfolio investment	274,726	212,439	178,864	63,076	95,862	4,625	22,009
Equity securities	68,139	45,563	40,032	11,995	28,107	2,643	6,070
Debt securities	206,587	166,877	138,832	51,080	67,755	1,983	15,938
Other investment	262,009	191,608	120,719	47,594	141,291	27,148	6,652
Financial derivatives	6,772	x	x	x	x	x	x
Reserve assets	12,378	x	x	x	12,378	x	x
<b>External assets</b>	<b>739,787</b>	<b>474,567</b>	<b>336,176</b>	<b>125,391</b>	<b>396,838</b>	<b>47,598</b>	<b>31,784</b>
Direct investment	192,890	89,130	81,581	26,880	111,309	4,296	60,042
Portfolio investment	363,590	x	x	x	x	x	x
Other investment	225,626	156,799	127,109	56,298	98,518	6,361	8,438
Financial derivatives	7,547	x	x	x	x	x	x
<b>External liabilities</b>	<b>789,653</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>

Source: OeNB.

<sup>1</sup> Eastern Europe: Moldova, Russia, Ukraine, Belarus. Southeastern Europe: Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Montenegro, Serbia.

<sup>2</sup> Revised data.

<sup>3</sup> Final data.

Table 5

### International Investment Position – Breakdown by Original Maturities<sup>1</sup>

	2007 <sup>2</sup>			2008 <sup>3</sup>		
	Total	Short-term	Long-term	Total	Short-term	Long-term
<i>End-of-period stocks, EUR million</i>						
Direct investment	6.028	0	6.028	9.931	0	9.931
Portfolio investment	206.587	4.103	202.483	191.700	3.026	188.673
Other investment	262.009	131.574	130.435	304.072	132.117	171.954
Financial derivatives	0	0	0	0	0	0
Reserve assets	12.245	2.416	9.830	11.739	1.234	10.505
<b>Total assets</b>	<b>486.869</b>	<b>138.093</b>	<b>348.776</b>	<b>517.441</b>	<b>136.377</b>	<b>381.064</b>
Direct investment	25.527	0	25.527	26.115	0	26.115
Portfolio investment	292.177	14.345	277.831	324.273	22.995	301.278
Other investment	225.626	166.076	59.550	240.513	171.121	69.393
Financial derivatives	0	0	0	0	0	0
<b>Total liabilities</b>	<b>543.330</b>	<b>180.422</b>	<b>362.909</b>	<b>590.902</b>	<b>194.116</b>	<b>396.786</b>
<i>Maturity bands, % of total position</i>						
Direct investment	100.0	0.0	100.0	100.0	0.0	100.0
Portfolio investment	100.0	2.0	98.0	100.0	1.6	98.4
Other investment	100.0	50.2	49.8	100.0	43.4	56.6
Financial derivatives	x	x	x	x	x	x
Reserve assets	100.0	19.7	80.3	100.0	10.5	89.5
<b>Total assets</b>	<b>100.0</b>	<b>28.4</b>	<b>71.6</b>	<b>100.0</b>	<b>26.4</b>	<b>73.6</b>
Direct investment	100.0	0.0	100.0	100.0	0.0	100.0
Portfolio investment	100.0	4.9	95.1	100.0	7.1	92.9
Other investment	100.0	73.6	26.4	100.0	71.1	28.9
Financial derivatives	x	x	x	x	x	x
<b>Total liabilities</b>	<b>100.0</b>	<b>33.2</b>	<b>66.8</b>	<b>100.0</b>	<b>32.9</b>	<b>67.1</b>

Source: OeNB.

<sup>1</sup> Contains only components with a defined maturity. i.e. direct investment is shown exclusive of equity capital and portfolio investment is shown exclusive of equity securities.

<sup>2</sup> Final data.

<sup>3</sup> Revised data.

Table 6

### International Investment Position – Breakdown by Sectors

	2007 <sup>1</sup>	2008 <sup>2</sup>
	EUR million	
<b>Investment position</b>		
Monetary authorities <sup>3</sup>	24,731	25,172
General government	6,629	11,435
Banks	344,687	381,536
Other sectors, total	363,741	348,514
<i>Other financial institutions</i>	155,594	124,666
<i>Nonfinancial corporations</i>	184,899	206,070
<i>Households</i>	23,248	17,778
<b>External assets</b>	739,787	766,657
Monetary authorities <sup>3</sup>	26,101	35,702
General government	140,723	157,994
Banks	318,285	331,228
Other sectors, total	304,544	284,953
<i>Other financial institutions</i>	65,318	56,207
<i>Nonfinancial corporations</i>	236,526	226,082
<i>Households</i>	2,701	2,664
<b>External liabilities</b>	789,653	809,667

Source: OeNB.

<sup>1</sup> Final data.

<sup>2</sup> Revised data.

<sup>3</sup> Liabilities with a negative sign may result on account of ESCB TARGET-related accounting rules.

**Portfolio Investment – Breakdown by Sectors**

	Total	Equity securities			Debt securities		
		Total	Stocks	Mutual fund shares	Total	Bonds and notes	Money market instruments
<i>EUR million</i>							
<b>End-of-period stocks 2008<sup>1</sup></b>							
Monetary authorities	11,144	2,075	47	2,028	9,068	9,017	52
General government	889	97	16	81	792	792	0
Banks	90,268	2,040	631	1,409	88,229	86,663	1,565
Other sectors, total	128,597	34,987	15,162	19,825	93,610	92,201	1,409
<i>Other financial institutions</i>	108,667	25,504	10,133	15,371	83,163	82,440	723
<i>Nonfinancial corporations</i>	5,774	1,289	901	388	4,485	3,898	587
<i>Households</i>	14,156	8,193	4,127	4,066	5,963	5,864	99
<b>Portfolio investment – assets</b>	230,898	39,198	15,856	23,342	191,700	188,673	3,026
Monetary authorities	x	x	x	x	x	x	x
General government	140,131	x	x	x	140,131	132,671	7,460
Banks	162,866	3,751	2,964	787	159,115	143,588	15,527
Other sectors, total	54,875	29,848	14,767	15,082	25,027	25,019	8
<i>Other financial institutions</i>	20,317	16,629	1,547	15,082	3,688	3,680	7
<i>Nonfinancial corporations</i>	34,555	13,220	13,220	x	21,335	21,334	1
<i>Households</i>	x	x	x	x	x	x	x
<b>Portfolio investment – liabilities</b>	357,872	33,599	17,731	15,869	324,273	301,278	22,995
<b>End-of-period stocks 2007<sup>2</sup></b>							
Monetary authorities	10,597	1,874	46	1,828	8,723	8,250	474
General government	920	135	40	95	785	785	0
Banks	98,011	3,045	1,534	1,511	94,967	92,929	2,038
Other sectors, total	165,197	63,086	35,412	27,674	102,111	100,520	1,591
<i>Other financial institutions</i>	138,506	47,032	25,844	21,188	91,474	90,808	666
<i>Nonfinancial corporations</i>	7,039	2,410	1,926	484	4,629	3,779	850
<i>Households</i>	19,652	13,644	7,642	6,002	6,008	5,933	75
<b>Portfolio investment – assets</b>	274,726	68,139	37,032	31,107	206,587	202,483	4,103
Monetary authorities	x	x	x	x	x	x	x
General government	122,914	x	x	x	122,914	122,169	746
Banks	154,105	8,872	8,332	540	145,233	131,751	13,481
Other sectors, total	86,570	62,542	40,625	21,917	24,028	23,910	118
<i>Other financial institutions</i>	32,180	27,879	5,962	21,917	4,302	4,267	35
<i>Nonfinancial corporations</i>	54,390	34,663	34,663	x	19,727	19,644	83
<i>Households</i>	x	x	x	x	x	x	x
<b>Portfolio investment – liabilities</b>	363,590	71,414	48,957	22,457	292,175	277,830	14,345

Source: OeNB.

<sup>1</sup> Revised data.<sup>2</sup> Final data.

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