

2011

ANNUAL REPORT

**THE FRENCH BALANCE OF
PAYMENTS AND INTERNATIONAL
INVESTMENT POSITION**



BANQUE DE FRANCE

DIRECTORATE GENERAL STATISTICS

Balance of Payments
Directorate

Surveys and Sectoral Statistics Directorate

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| OVERVIEW

In 2011, France's **current account**, which records flows in the real economy— such as imports and exports of goods and services, as well as income flows— between residents and non-residents, showed a deficit of 38.9 billion euros. The deficit is equivalent to 1.9% of GDP,¹ compared to 1.6% in 2010 (Table T0-1).

T0-1 Main current account components in 2011

(EUR billions)

Current account	-38,9
(% of GDP)	-1,9
Goods	-73,5
Services (excluding travel)	16,8
Travel	7,5
Income	46,9
Current transfers	- 36,6

The various components of the current account have changed in different ways in recent years, but there is a clear trend towards a larger overall deficit (Chart C0-1).

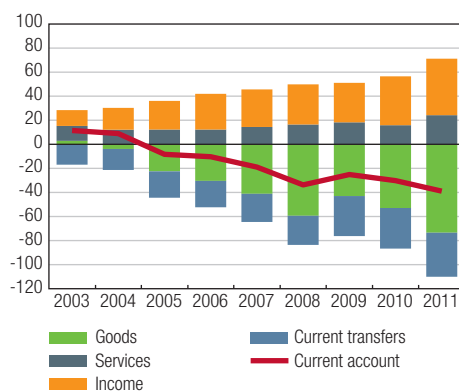
The current account deficit is largely caused by the deficit on trade in goods (73.5 billion in 2011, as opposed to 52.9 billion in 2010).

At the end of 2011, imports of goods were substantially higher than before the crisis. On the other hand, exports barely exceeded the level they had reached at the beginning of 2008 (Chart C0-2).

¹ Based on the GDP published by INSEE on 15 May 2012.

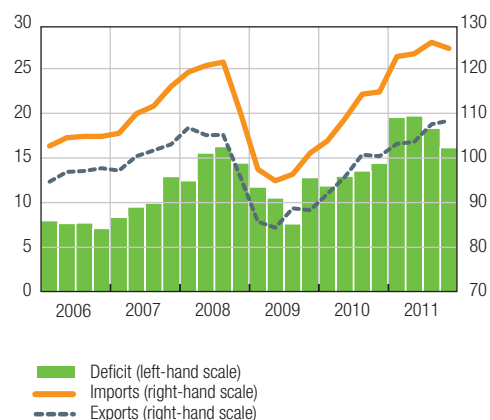
C0-1 Current account, France
Data to May 2012

(annual balances, EUR billions)



C0-2 France's trade balance in goods

(quarterly flows, adjusted for seasonal and working-day variations, EUR billions)

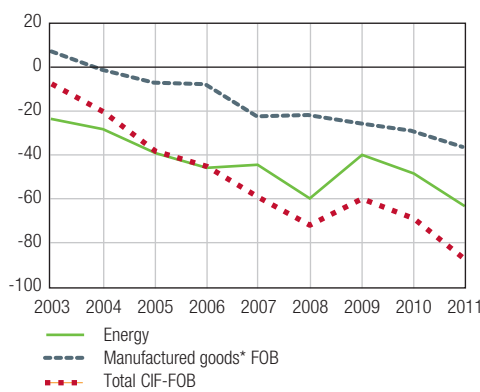


As global trade started to recover in 2009, the expanding deficit on trade in goods was primarily due to problems in exporting enough manufactured goods to offset the widening energy deficit (62.2 billion in 2011 compared to 47.8 billion in 2010). The deficit on trade in manufactured goods stood at 36.7 billion in 2011, compared to 28.9 billion in 2010 (Chart C0-3).

Most of France's bilateral deficits on trade in goods stem from its trade within the European Union (Chart C0-4). Germany makes a substantial contribution, but accounts for less than half of the deficit on trade in goods. France's trade with the countries that joined the European Union more recently is growing and is also showing a deficit.

C0-3 France's trade balance in goods

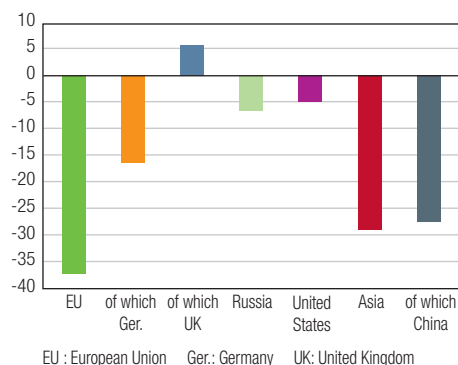
(annual balances, adjusted for seasonal and working-day variations, EUR billions)



* Industrial goods, excluding agricultural and energy products.

C0-4 Bilateral balances on trade in goods 2011

(EUR billions)



Changes in unit labour costs have placed France in a weaker position compared to Germany, its leading European trading partner. Other factors also affect competitiveness, such as product quality.

Trade in services showed a surplus and is growing in line with the world average. Travel, royalties and license fees, and construction services are the main components generating surpluses, whereas transportation services show a deficit.

“Income”, which includes the income of resident frontier workers and income from foreign financial assets, showed a surplus of 46.9 billion, which was largely offset by “current transfers”, which include migrant workers’ remittances and France’s contribution to the European Union budget.

France’s export market share is shrinking compared to other countries, and the contraction is not due solely to competition from emerging countries. Among seven established developed countries, France’s market share declined from slightly more than 12% at the beginning of 2003 to 10.6% in December 2011 (Chart C0-5). Over the same period, Germany increased its market share from 22.7% to 25.1%. The United Kingdom’s share of the market contracted from 10.2% to 7.8% during the period.

In aggregate, France’s current account balance, measured as a percentage of GDP, is in line with the median situation in Europe, as is the British current account balance (Chart C0-6).

In addition to the capital outflows generated by the current account deficit, other major financial flows make up the balance of payments.

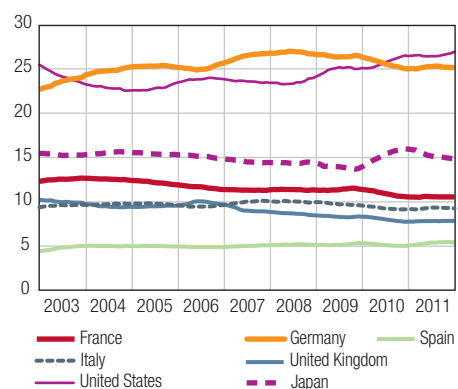
Direct investment² posted a net outflow of 35.4 billion in 2011, which was similar to the outflow in 2010 and some 25 billion less than the outflows in 2008 and 2009 (Chart C0-7).

² Direct investment covers investors’ cross-border transactions to acquire, increase or wind up a lasting interest in an enterprise and to increase (or dispose of) influence over its management. The figures are presented here after offsetting inward and outward lending between companies belonging to the same group.

Outward direct investment stood at 61.9 billion in 2011. Inward direct investment reached 26.5 billion in 2011, in keeping with the trend over the last ten years. France’s now ranks around tenth among the

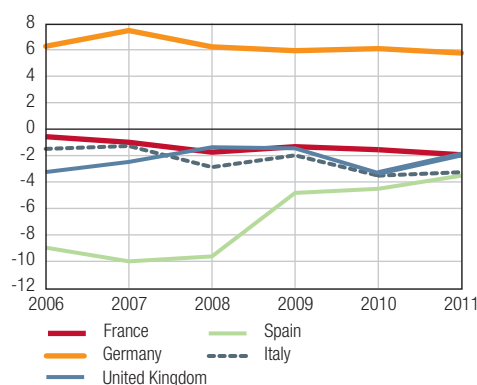
C0-5 Export market shares of seven developed countries

(cumulative shares for 12 months, as a % of the seven countries)



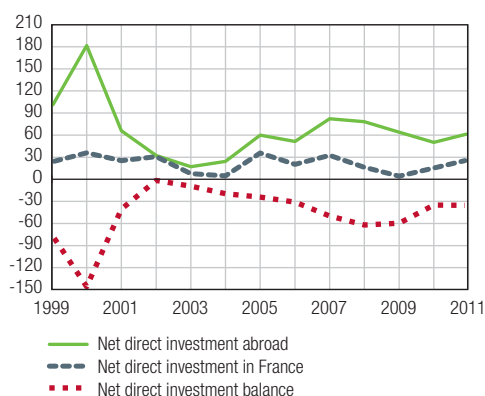
C0-6 Current account balances for five European countries

(annual balances, as a percentage of GDP)



C0-7 Direct investment

(EUR billions)



top destinations for foreign investment, whereas it ranked about fifth at the turn of the century.

As a result of these developments, capital outflows related to the current account deficit and direct investment reached 74.3 billion in 2011, as opposed to 61.1 billion in 2010.

Financing this overall need for capital creates financial liabilities towards the rest of the world, which are recorded in the financial account (Chart C0-8). This account records the financial transactions of banks, along with those of companies and other economic and financial agents.

The inflow of capital generated by **portfolio investment** reached a historic high of 251.6 billion in 2011, compared to 123.2 billion in 2010. This figure topped the previous high reached in 2009.

The inflow stems primarily from residents' sales of foreign securities, which stood at 177.5 billion, compared to 26.2 billion in 2010. Capital inflows related to non-residents' acquisitions of French securities stood at 74.1 billion, compared to 96.9 billion in 2010.

Loan and deposit transactions with non-residents generated capital outflows of 177.3 billion in 2011, compared to 89.3 billion in 2010. These outflows can be attributed to residents' reduction of their net liabilities by 96.5 billion and an increase of 80.8 billion in their assets.

Up to 2008, financing of the current account deficit and direct investment outflows were accompanied by in the transformation of borrowed net short-term deposits into long-term securities investments (Chart G0-9).

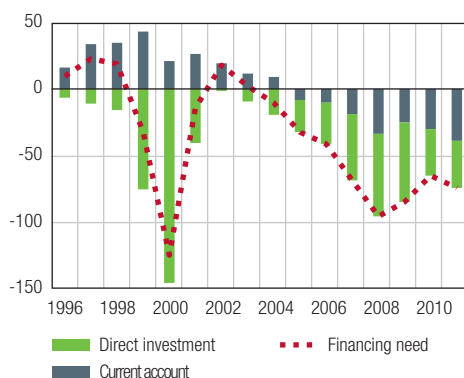
The situation was reversed after 2009, as new external debt consisted mostly in long-term liabilities and short-term foreign assets increased. The trend continued in 2011 and was particularly pronounced for monetary financial institutions, which means banks primarily.

The financial flows used to cover the need for capital related to the current account deficit and outward direct investment, as well as changes in the structure of financing in terms of securities, loans and deposits, influence developments in the international investment position at market value (Table T0-2).

The **international investment position** represents the nation's net assets or liabilities vis-à-vis other countries. The balance of payments records

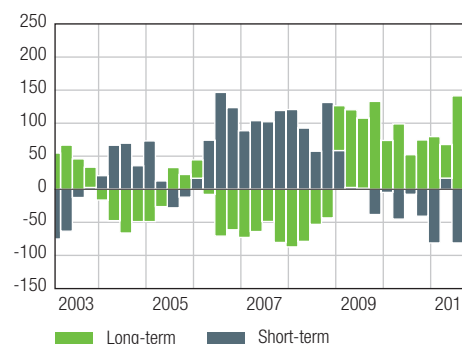
C0-8 France's financing need

(annual balances, EUR billions)



C0-9 Flows of loans, deposits and securities transactions, by maturity

(cumulative balances for 4 quarters, EUR billions)



Note: (+) sign means an increase in France's liabilities ; (-) sign means an increase in assets.

T0-2 International investment position in 2011

(EUR billions)

Direct investment (market value)	316,0
Outward	1 060,9
Inward	-744,9
Portfolio investment	-622,9
Assets	1 828,9
Liabilities	-2 451,8
Financial derivatives	-39,2
Other investment	-104,3
of which MFIs	70,7
Reserve assets	133,1
International investment position	-317,3
% of GDP (at market value, base 2011)	-15,9
% of GDP (at market value, base 2010)	-10,8

annual flows, while the international investment position records stocks. Furthermore, the signs are reversed: in the balance of payments, an outflow

of funds is given a negative sign, since it creates a financing requirement. In the international investment position, capital outflows are given a positive sign, since they correspond to acquisitions of foreign assets.

The net international investment position at the end of 2011 was negative, which means that the value of foreign financial assets held was less than the value of liabilities (debts and other financial obligations) towards non-residents. At market value, the position stood at -317.3 billion, i.e. -15.9% of GDP.

Changes in the international investment position from one year to the next result from a combination of two factors: the current account balance and changes in the valuation of assets and liabilities.

France's international investment position deteriorated between 2010 and 2011. The capital inflows recorded in the financial account meant that it went from -7.9% to -10.8% of GDP. Falling stock markets account for three quarters of the deterioration between 2010 and 2011.

Box 1

The current account balance and the international investment position are two indicators in the new European macroeconomic scoreboard

In the fourth quarter of 2011, the list of national economic indicators to be used for macroeconomic surveillance of the European Union Member States, which had previously relied solely on public finance indicators, was expanded to include internal and external imbalance indicators.¹ A report will be released each year based on a scoreboard that includes balance of payments statistics: the current account balance and the international investment position as a percentage of GDP, along with export market shares (a country's exports of goods and services as a percentage of world exports). These indicators will be the statistical basis for the alert system that detects nascent imbalances, which could trigger an Excessive Imbalance Procedure in extreme cases. Indicative thresholds were set for sustainable growth, including thresholds for European Union countries: current account balance between -4% and +6% of GDP on average over the last three years, negative international investment position no greater than 35%, loss of market shares no greater than 6% over five years. These thresholds are indicative and they need to be assessed with other indicators that are considered, without necessarily having thresholds associated with them.

¹ Following the approval of the European Parliament on 28 September 2011, the Council of the European Union adopted a package of six legislative proposals aimed at improving economic governance in the European Union on 8 November 2011.

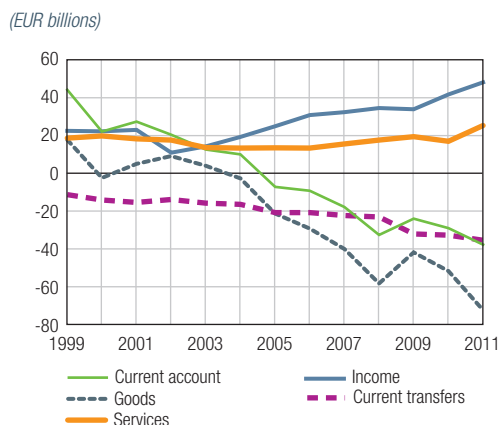


CHAPTER 1
CURRENT ACCOUNT

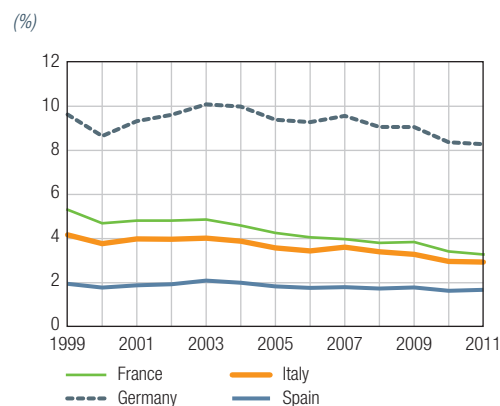
France's current account showed a deficit of 38.9 billion euros in 2011, equivalent to 1.9% of GDP, following a current account deficit of 30.2 billion in 2010 that was equivalent to 1.6% of GDP. More than half of the deterioration of trade in goods, which declined by more than 20 billion in 2011, was offset by higher surpluses on trade in services and income. The improvement in trade in services affected most of the items, with the exception of transportation and computer services.¹

result was a continuing contraction of France's share of the global export market. According to estimates by the International Monetary Fund (IMF),² France accounted for 3.3% of global exports in 2011, as opposed to 3.8% in 2009 (Chart C1-2). France's imports grew by 11.5% in 2011, outstripping the growth of exports, as the trade deficit on energy deepened by 14.3 billion (Table T1-3). France's FOB-FOB trade deficit stood at 70.1 billion in 2011, which was 18.3 billion more than in 2010.

C1-1 Current account
Gross balances



C1-2 Global export market share



Source: International Monetary Fund.
Calculations: Banque de France.

1 | GOODS

The trade deficit on goods deepened to stand at 73.5 billion in 2011, compared to a deficit of 52.9 billion in 2010, as energy prices rose and exports lagged, failing to reach the level they attained before 2007.

Other than energy, two sectors accounted for most of the growth in exports. Exports in the agriculture and agri-food³ sector grew by 14.4%, whereas imports in the same sector rose by 8.6% (Table T1-3).

1|1 General merchandise

French exports grew by 8.4% in value in 2011, which was slower than the 18.3% growth in world trade. The

1 Major improvements in methodology concerning trade in services have led to revisions of the receipts and payments from 2009 onwards (see Appendix II-D).
2 The values of exports and imports provided by the IMF are given in American dollars. Exchange rate fluctuations may change market shares because of valuation effects. The euro/dollar exchange rate moved up and down during 2011, which makes it difficult to assess the contribution that exchange rate effects made to changes in the euro area countries' market shares.
3 Sector data are available CIF-FOB (see main concepts in Appendix II-B).

T1-1 Current account

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Current account	658.4	683.6	-25.1	719.0	749.1	-30.2	778.9	817.9	-38.9
Goods and services	484.1	508.7	-24.7	537.1	574.1	-37.0	585.5	634.8	-49.3
Goods	346.8	389.8	-43.0	392.0	444.9	-52.9	424.0	497.5	-73.5
Services	137.3	119.0	18.3	145.1	129.2	15.9	161.5	137.2	24.2
Income	152.8	120.0	32.8	161.2	120.5	40.7	171.4	124.5	46.9
Current transfers	21.6	54.8	-33.3	20.7	54.5	-33.8	22.0	58.6	-36.6

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

T1-2 Goods

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Goods	346.8	389.8	-43.0	392.0	444.9	-52.9	424.0	497.5	-73.5
Merchandise	332.4	376.8	-44.3	378.3	432.4	-54.1	411.3	484.9	-73.6
<i>Customs data</i>	<i>346.3</i>	<i>391.3</i>	<i>-45.1</i>	<i>394.6</i>	<i>446.5</i>	<i>-51.8</i>	<i>427.8</i>	<i>497.9</i>	<i>-70.1</i>
<i>Adjustments</i>	<i>-13.8</i>	<i>-14.6</i>	<i>0.7</i>	<i>-16.3</i>	<i>-14.1</i>	<i>-2.2</i>	<i>-16.4</i>	<i>-12.9</i>	<i>-3.5</i>
Goods for processing	9.6	8.1	1.4	8.4	6.8	1.6	7.0	5.6	1.4
Repairs on goods	3.3	2.0	1.3	3.5	2.0	1.6	3.4	1.8	1.6
Goods procured in ports by carriers	1.5	2.9	-1.4	1.8	3.8	-2.0	2.3	5.1	-2.8

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

The trade surplus on agricultural and agri-food products expanded by 3.6 billion to stand at 11.5 billion in 2011.

France also posted a trade surplus of 11 billion in the transport equipment sector and, more specifically, the aerospace industry, but this surplus was 3.4 billion smaller than the 2010 surplus. Within this sector, the automobile industry posted another trade deficit of nearly 5 billion.

The mechanical, electronic and computer equipment sector saw its trade deficit deepen by 0.5 billion in 2011 to 20.9 billion, while the deficit on other manufactured goods worsened by 4.7 billion to stand at 26.6 billion.

France is running trade deficits with all of its major trading partners, except for the United Kingdom, with which it posted a trade surplus of 5.7 billion, and to a lesser extent with Spain, where its trade was virtually in balance with a surplus of 0.1 billion (Table T1-4). France's general merchandise trade deficit with the euro area as a whole stood at 37.1 billion. France's 16.7-billion deficit with Germany accounts for less than half of its deficit with the euro area. Exports to Germany grew by 9.9%, which was slightly faster than the growth of 8.7% in imports from Germany. But this was not enough to reverse the negative trend, given the size of the initial trade gap. Trade with new European Union Member States is growing, with 10% growth in exports and 10.9% growth in imports in 2011, and France is running a trade deficit with these partners.

T1-3 Trade in goods: total and by sector

(EUR billions)

	Exports		Imports		Balance	
	Amount in 2011	Change 2011/2010 (%)	Amount in 2011	Change 2011/2010 (%)	Amount in 2011	Change 2011/2010 (EUR billions)
Trade in goods FOB-FOB	427.8	8.4	497.9	11.5	-70.1	-18.3
Trade in goods CIF-FOB ^{a)}	419.3	7.7	506.9	10.7	-87.6	-19.0
<i>of which: Agriculture and agri-food sectors</i>	<i>56.8</i>	<i>14.4</i>	<i>45.4</i>	<i>8.6</i>	<i>11.5</i>	<i>3.6</i>
<i>Energy products</i>	<i>24.7</i>	<i>30.6</i>	<i>87.1</i>	<i>30.0</i>	<i>-62.3</i>	<i>-14.3</i>
<i>Mec. elec. and IT equipment</i>	<i>81.1</i>	<i>6.5</i>	<i>102.0</i>	<i>5.6</i>	<i>-20.9</i>	<i>-0.5</i>
<i>Transport equipment</i>	<i>86.1</i>	<i>1.6</i>	<i>75.1</i>	<i>6.7</i>	<i>11.0</i>	<i>-3.4</i>
<i>Other manufactured goods</i>	<i>166.9</i>	<i>6.6</i>	<i>193.5</i>	<i>8.4</i>	<i>-26.6</i>	<i>-4.7</i>

a) Excluding military equipment.

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

Source: DG of Customs and Excise, estimated data.

Calculations: Banque de France.

T1-4 Geographical distribution of trade in goods

(EUR billions)

	Exports		Imports		Balance	
	Amount in 2011	Change 2011/2010 (%)	Amount in 2011	Change 2011/2010 (%)	Amount in 2011	Change 2011/2010 (EUR billions)
Euro area (17 members)	202.6	6.9	239.7	8.3	-37.1	-5.4
of which: Germany	69.4	9.9	86.1	8.7	-16.7	-0.6
Italy	34.2	8.4	36.9	6.3	-2.7	0.5
Spain	30.5	4.6	30.4	7.0	0.1	-0.7
United Kingdom	27.8	5.8	22.1	10.4	5.7	-0.6
New EU Member States ^{a)}	21.1	10.0	27.3	10.9	-6.1	-0.8
Americas	37.3	5.2	41.3	9.1	-4.0	-1.6
of which: United States	23.4	5.5	28.4	6.5	-5.1	-0.5
Asia	68.9	10.1	94.8	14.2	-25.8	-5.5
of which: Japan	6.5	10.3	9.4	5.3	-2.9	0.1
China and Hong Kong	17.9	17.5	41.3	8.6	-23.5	-0.6
Middle East	14.7	-3.2	14.7	55.5	0.0	-5.7

a) Countries that joined the European Union since 2004.

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

Source: DG of Customs and Excise.

Calculations: Banque de France.

Outside of the European Union, France's trade deficit with the United States stood at 5.1 billion and its deficit with Asia as a whole stood at 25.8 billion, of which 23.5 billion was with China. France's general merchandise trade with the Middle East is in balance overall.

1|2 Goods for processing, repairs on goods and goods procured in ports by carriers

The surplus on goods for processing⁴ stood at 1.4 billion, compared to 1.6 billion in 2010. The surplus on repairs on goods was unchanged at 1.6 billion. The deficit on goods procured in ports by carriers deepened from 2 billion in 2010 to 2.8 billion in 2011, as imports increased in connection with higher energy prices.

2| SERVICES

The surplus on trade in services grew from 15.9 billion in 2010 to 24.2 billion in 2011 (Table T1-5). The improvement in trade in services affected most of the items, except for transportation, where the deficit increased by 2.1 billion, and to a minor extent, computer services, where the deficit deepened by 0.3 billion. Compared to the data published in the previous annual report, the 2010 surplus was revised upwards by 6 billion as a result of changes in methodology (see Appendix II-D).

2|1 Transportation

Trade in transportation services posted slower growth in 2011 than in 2010, as the growth of

⁴ See main concepts in Appendix II-B.

T1-5 Services

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Services	137.3	119.0	18.3	145.1	129.2	15.9	161.5	137.2	24.2
Transportation	27.0	29.0	-2.0	31.7	34.9	-3.2	32.6	38.0	-5.3
Travel	35.5	27.5	8.0	35.4	29.4	5.9	39.2	31.7	7.5
Other services ^{a)}	74.8	62.4	12.4	78.0	64.9	13.1	89.7	67.6	22.1

a) See "Other services" table (T1-7) for details.

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

T1-6 Transportation

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Sea transport	8.2	9.5	-1.3	10.8	11.2	-0.4	10.8	12.3	-1.5
Freight	7.0	6.3	0.6	9.5	7.5	2.0	9.4	8.5	0.9
of which FOB expenses ^{a)}	1.5	4.5	-3.0	1.8	5.5	-3.7	2.0	6.4	-4.5
Passengers	0.2	0.0	0.2	0.2	0.3	0.0	0.2	0.2	0.0
Other expenses ^{b)}	1.1	3.2	-2.1	1.1	3.5	-2.3	1.2	3.6	-2.4
Air transport	10.6	9.3	1.3	11.9	12.7	-0.9	12.3	13.7	-1.4
Freight	2.0	1.9	0.1	2.0	3.3	-1.3	2.2	3.5	-1.4
of which FOB expenses ^{a)}	1.0	1.0	0.0	1.2	1.2	0.0	1.3	1.2	0.1
Passengers	6.0	4.9	1.1	6.8	6.6	0.2	6.7	7.3	-0.6
Other expenses ^{b)}	2.6	2.5	0.0	3.1	2.8	0.3	3.4	2.9	0.5
Other transport	8.2	10.2	-2.1	9.0	10.9	-1.9	9.5	11.9	-2.4
Space transport	0.9	0.0	0.8	1.2	0.0	1.2	1.1	0.1	1.0
Rail transport	0.9	1.3	-0.4	0.9	1.1	-0.2	0.8	1.1	-0.2
Freight	0.4	0.8	-0.4	0.3	0.7	-0.3	0.3	0.7	-0.4
of which FOB expenses ^{a)}	0.1	0.1	0.0	0.0	0.1	-0.1	0.1	0.1	0.0
Passengers	0.5	0.4	0.1	0.4	0.4	0.1	0.4	0.3	0.1
Other expenses ^{b)}	0.1	0.2	-0.1	0.1	0.1	0.0	0.1	0.0	0.1
Other sectors	6.4	8.9	-2.5	6.9	9.9	-2.9	7.6	10.7	-3.1
of which FOB expenses ^{a), c)}	1.9	2.1	-0.3	2.2	2.5	-0.3	2.3	2.6	-0.3
Total	27.0	29.0	-2.0	31.7	34.9	-3.2	32.6	38.0	-5.3

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

a) The FOB expenses correspond to the transportation and insurance services included in CIF (cost, insurance and freight) payments for merchandise. These expenses are subtracted from trade in merchandise and transferred to the relevant service items.

b) Includes payments for chartering vessels, port fees, traffic fees. This item does not include payments for goods procured in ports by carriers, which are included in goods.

c) The FOB expenses for road transport.

global trade in goods slackened. This slowdown in growth was more pronounced for exports. The overall transportation deficit stood at 5.3 billion. The deficit deepened on sea and air transport, as well as on space transport and other transport (Table T1-6).

Inside the euro zone, travel receipts from Germany, Spain, Italy and Belgium increased substantially, whereas spending by Dutch visitors was stable (Chart C1-4). Receipts from Belgian visitors attained a high of 5.3 billion, unmatched since 2004.

2|2 Travel

The surplus on travel expanded in 2011, for the first time since 2007. The surplus on travel increased as the result of 11% growth in travel receipts, combined with 8% growth in travel payments. It stood at 7.5 billion in 2011 (Chart C1-3).

After three particularly difficult years, travel receipts posted strong growth in 2011, returning to their 2007 level of 39.2 billion. This recovery stems from an increase in receipts from visitors from France's main partners for tourism, particularly euro area countries, which accounted for more than half of France's travel receipts (Table STAT_1.1 in Appendix I).

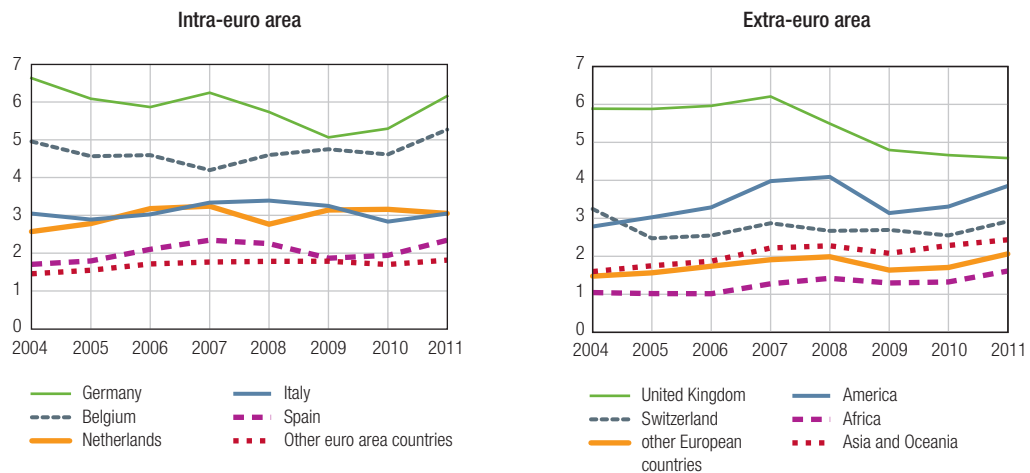
C1-3 Travel

(EUR billions)



C1-4 Travel – receipts

(EUR billions)



Outside of the euro area, receipts from British visitors, who are the top spenders from outside the euro area, were down slightly. Receipts from African visitors posted the strongest growth, with a 22% increase, followed by American visitors, with a 16% increase. On the other hand, receipts from Asian and Oceanic visitors showed slower growth of 7%.

The recovery in travel spending by French residents abroad seen in 2010 gathered strength

in 2011. Personal travel accounts for most of French residents' travel spending abroad, but business travel has increased its share and now accounts for more than 20% of travel payments. Business travel also accounts for more than half of the growth in French residents' travel spending abroad in 2011. The situation is more contrasted for personal travel. Spain, Italy and the United States benefitted from the increase in travel payments, whereas payments to Tunisia and Egypt declined.

T1-7 Other services

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Communication services	3.5	3.3	0.1	4.2	3.4	0.8	4.6	3.3	1.3
Construction services	7.7	4.2	3.5	6.8	4.8	2.1	6.8	4.6	2.2
Insurance services	2.8	2.1	0.6	2.8	2.3	0.5	3.8	2.2	1.6
Financial services	1.6	1.3	0.3	2.5	1.8	0.7	4.7	2.6	2.1
Computer services	2.6	3.6	-1.0	2.7	3.1	-0.4	3.0	3.7	-0.7
Royalties and license fees	10.1	6.4	3.6	9.9	7.1	2.9	11.3	7.2	4.1
Other business services	43.8	38.3	5.4	45.6	39.3	6.3	51.7	40.8	10.9
<i>Merchandising</i>	9.9	0.0	9.9	9.7	0.0	9.7	13.2	0.0	13.2
<i>Other trade-related services</i>	3.3	6.3	-3.0	3.8	5.8	-2.0	3.6	5.6	-2.0
<i>Operational leasing</i>	1.2	2.2	-1.0	0.9	2.4	-1.5	1.0	2.5	-1.5
<i>Miscellaneous business services</i>	29.4	29.9	-0.5	31.2	31.0	0.1	33.9	32.8	1.2
Personal, cultural and recreational services	1.9	2.3	-0.4	2.7	2.6	0.1	3.0	2.6	0.3
<i>Audiovisual services</i>	0.9	1.3	-0.4	1.2	1.4	-0.2	1.3	1.4	0.0
<i>Other personal, cultural and recreational services</i>	1.1	1.0	0.0	1.4	1.1	0.3	1.6	1.3	0.4
Government services	0.8	0.7	0.1	0.8	0.6	0.2	0.8	0.5	0.2
Total	74.8	62.4	12.4	78.0	64.9	13.1	89.7	67.6	22.1

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

2|3 Other services

The surplus on trade in other services (excluding transportation and travel) increased sharply from 13.1 billion in 2010 to 22.1 billion in 2011. Export growth accelerated to 15%, following growth of 4% in 2010. This growth was underpinned by the improvement in global trade in services. Imports grew by 4%, as they did in 2010.

All items, except for computer services, posted improvements. Financial and insurance services showed particularly strong growth. Taken together, they account for nearly 20% of the surplus on trade in services other than transportation and travel. Royalties and license fees also increased to account for another 20% of the surplus.

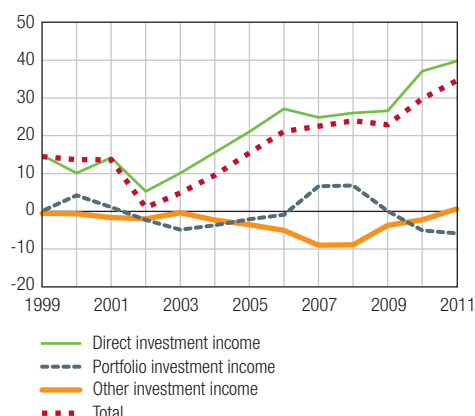
3| INCOME

The income surplus grew by 7.9 billion in 2010 and by 6.2 billion in 2011, following a period of virtually no change from 2006 to 2009. It stood at 46.9 billion in 2011. The surplus on compensation of employees, which stems primarily from resident frontier workers, increased slightly in 2011 to 12.4 billion, primarily as a result of the appreciation of the Swiss franc. The surplus on investment income continued the growth streak started in 2002 to reach 34.6 billion (Table T1-8).

⁵ Direct investment refers to investments where the direct investor holds 10% or more of the equity capital in the direct investment enterprise and intercompany loans and deposits.

C1-5 Investment income balance
(including reinvested earnings)

(EUR billions)



3|1 Direct investment income⁵

In 2011, as payments decreased, the surplus on direct investment income stood at 39.7 billion, compared to 37.1 billion in 2010 (Table T1 8). However, this was a modest increase compared to the one seen in 2010, which was greater than 10 billion. Excluding reinvested earnings, the surplus stood at 19.6 billion, slightly smaller than the 2010 surplus of 22.8 billion.

In 2010, income from outward direct investment bounced back up to 58.2 billion, for an annual increase of nearly 40%. This followed three years of declining income from 2006 to 2009, in the wake of the international financial crisis (Chart C1-6). With the global economic recovery, the apparent return on

T1-8 Income

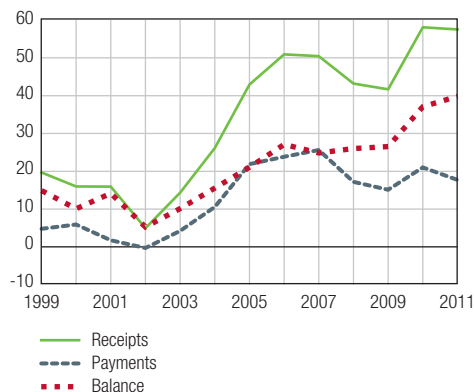
(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Compensation of employees	10.8	0.9	9.9	11.8	1.0	10.9	13.2	0.8	12.4
Investment income	142.0	119.1	22.9	149.3	119.6	29.8	158.2	123.6	34.6
Direct investment income	41.7	15.1	26.6	58.1	21.0	37.1	57.4	17.7	39.7
Dividends	30.0	17.5	12.5	38.8	16.0	22.8	30.3	10.7	19.6
Reinvested earnings	11.7	-2.3	14.0	19.3	5.1	14.3	27.2	7.0	20.1
Portfolio investment income	77.1	77.0	0.1	76.3	81.3	-5.1	82.8	88.7	-5.8
of which income on equity	5.4	13.1	-7.7	4.7	13.4	-8.7	9.4	18.6	-9.2
Other investment income	23.2	27.0	-3.7	14.9	17.2	-2.3	17.9	17.3	0.7
Total	152.8	120.0	32.8	161.2	120.5	40.7	171.4	124.5	46.9

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

C1-6 Direct investment income

(EUR billions)



outward direct investment⁶ improved by more than one and a half points in 2010 to reach 8.2%, which is close to the historically high returns seen in 2005 and 2006.

In 2011, income from direct investment abroad is estimated on the bases of the net consolidated current profit of the leading French groups.⁷ Yet, earnings show different patterns depending on the sector. For example, profits declined in the financial sector, while earnings soared again in the fashion and luxury sector. Consequently, receipts were down very slightly from the previous year to 57.4 billion, despite continued outward direct investment and steady growth of stocks of foreign assets.

According to the available data, European Union countries accounted for slightly more than half of direct investment income in 2011, other industrialised countries accounted for 18% and emerging countries for 31% (Table STAT_1.3 in Appendix I). The main countries paying direct investment income to France are its leading economic partners, with the United Kingdom accounting for 10%, the United States for 9%, Germany for 6% and Spain 5%. France also receives direct investment income from countries with large numbers of holding companies that reinvest funds from France in third countries. Such countries include the Netherlands, which accounted for 15% of direct investment income paid to France in 2011, Belgium, which accounted for 10%, and Switzerland, which accounted for 3%. France also receives direct investment income from emerging countries, led by Brazil, which paid 4% of the income received,

followed by Indonesia and China, with 2% each, and Russia and Morocco, with 1% each. The apparently low rankings of certain countries, such as India or China, stems from the fact that only a minority of French direct investment in these countries is made directly from France, without passing through an entity located in an intermediary country.

Income on inward direct investment was down because of disposals of high-yield assets and occasional difficulties encountered by some companies controlled by non-residents. This meant that the apparent return on inward direct investment declined to 5.3%, which was two percentage points lower than the return on outward direct investment in the same year.

3|2 Portfolio investment income

After peaking at more than 6 billion in 2007 and 2008, the surplus on portfolio investment income contracted sharply in 2009 and 2010, before stabilising in 2011. Since 2009, non-residents have been aggressively acquiring French securities, whereas outward investment has been more moderate (see Chapter 3). After being in balance in 2009, portfolio investment income showed deficits of 5.1 billion in 2010 and 5.8 billion in 2011. The pattern is the same for the deficit on dividends, which started growing in 2008, and for the surplus on interest. The deficit on dividend income deepened slightly from 8.7 billion in 2010 to 9.2 billion in 2011. The surplus on interest income shrank from 7.8 billion in 2009 to 3.4 billion in 2011.

3|3 Other investment income

The balance on “other investment income” posted a surplus of 0.7 billion in 2011, following a deficit of 2.3 billion in 2010. The international investment position in loans and deposits explains most of this improvement.

⁶ The ratio between direct investment income and stocks of direct investment in equity capital, excluding real-estate, at book value at the end of the previous year.

⁷ As of this writing, the 2011 earnings figures for French companies' foreign subsidiaries and affiliates, which are used to calculate direct investment income receipts, have not yet been reported. Therefore, they are estimated on the basis of net consolidated income, excluding non-recurring items, disclosed by resident CAC 40 groups (for more detailed information, see Box 1.3 on page 25 of the 2009 Annual Report on the French Balance of Payments and International Investment Position).

4 | CURRENT TRANSFERS

The deficit on current transfers deepened to 36.6 billion in 2011, compared to the 2010 deficit of 33.8 billion. The deficit on general government transfers grew largely as a result of the increase in indirect taxes (taxes paid to the European Union on

the VAT and customs duties). The deficit on other sectors' current transfers increased as a result of non-life insurance transactions. Workers' remittances were stable and accounted for approximately half of the deficit on current transfers in sectors other than general government (see Appendix II-D for the new methodology used to estimate this item).

T1-9 Current transfers

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
General government current transfers	13.4	31.7	-18.3	12.3	30.7	-18.4	12.1	31.4	-19.3
Transfers with European Union institutions	11.0	20.7	-9.7	10.2	20.2	-10.0	10.0	21.0	-11.0
Other general government transfers	2.4	11.0	-8.6	2.2	10.5	-8.4	2.1	10.4	-8.3
<i>of which operating expenses for international organisations</i>	<i>0.0</i>	<i>0.7</i>	<i>-0.7</i>	<i>0.0</i>	<i>0.8</i>	<i>-0.8</i>	<i>0.0</i>	<i>0.8</i>	<i>-0.8</i>
Current transfers of other sectors	8.2	23.2	-15.0	8.4	23.8	-15.4	9.9	27.2	-17.3
Workers' remittances	0.8	9.1	-8.3	0.8	9.8	-9.1	0.7	9.7	-9.0
Other transactions	7.4	14.0	-6.6	7.6	14.0	-6.3	9.2	17.5	-8.3
Total	21.6	54.8	-33.3	20.7	54.5	-33.8	22.0	58.6	-36.6

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.



CHAPTER 2

FINANCIAL ACCOUNT

T2-1 Financial account

(EUR billions)

	2009	2010	2011
FINANCIAL ACCOUNT	22.0	27.5	58.1
Direct investment	-59.7	-34.9	-35.4
Outward	-77.1	-58.0	-64.8
Equity capital	-38.3	-26.1	-21.1
Reinvested earnings	-11.7	-19.3	-27.2
Other capital	-27.1	-12.6	-16.6
<i>Other capital (extended directional principle)</i>	-13.9	-4.7	-13.6
Inward	17.4	23.1	29.5
Equity capital	14.5	11.6	12.1
Reinvested earnings	-2.3	5.1	7.0
Other capital	5.3	6.4	10.3
<i>Other capital (extended directional principle)</i>	-7.9	-1.5	7.4
Portfolio investment	242.2	123.2	251.6
Assets (residents' transactions in securities issued by non-residents)	-72.2	26.2	177.5
Equity securities and mutual fund shares/units	-28.9	-15.9	54.0
Bonds and notes	-12.2	16.2	80.8
Short-term debt securities	-31.0	25.9	42.7
Liabilities (non-residents' transactions in securities issued by residents)	314.4	96.9	74.1
Equity securities and mutual fund shares/units	47.2	-3.8	2.5
Bonds and notes	189.8	99.1	96.0
Short-term debt securities	77.3	1.7	-24.4
Financial derivatives	-16.9	34.3	13.8
Other investment	-147.5	-89.3	-177.3
Assets	57.9	-124.7	-80.8
Trade credits	-1.3	-2.5	2.4
Loans	59.2	-121.9	-82.6
<i>Banque de France</i>	-2.7	-10.7	11.6
<i>General government</i>	-1.1	-3.7	-9.8
<i>Monetary financial institutions (MFIs)</i>	67.2	-103.8	-56.9
<i>Investment firms</i>	4.4	-4.8	2.2
<i>Other sectors</i>	-8.6	1.1	-29.8
Other assets	0.0	-0.2	-0.6
Liabilities	-205.4	35.4	-96.5
Trade credits	6.5	6.0	2.9
Loans	-211.9	29.4	-99.7
<i>Banque de France</i>	-44.2	-31.4	66.3
<i>General government</i>	-4.5	0.3	3.8
<i>Monetary financial institutions (MFIs)</i>	-142.9	57.2	-173.3
<i>Investment firms</i>	-14.6	4.9	0.4
<i>Other sectors</i>	-5.7	-1.6	3.0
Other liabilities	0.0	0.0	0.3
Reserve assets	3.9	-5.8	5.5

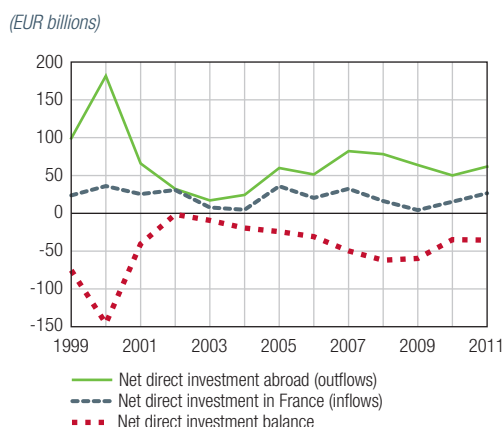
1 | DIRECT INVESTMENT

The direct investment item posted a net outflow of 35 billion in 2011, which was some 25 billion less than the outflows in 2008 and 2009 and equivalent to the outflow in 2010 (Table T2-1). The stability of the balance stems from similar increases in both outward and inward direct investment flows in 2010 and 2011 (Chart C2-1). The net direct investment outflow, minus reinvested earnings,¹ shrank for the third year in a row to 15 billion.

This net outflow of 15 billion needs to be balanced by transactions recorded under other items in the financial account.

¹ *Reinvested earnings are the undistributed share of direct investment enterprises' current income attributable to direct investors. They are recorded both as direct investment income in the current account and, with the opposite sign, as direct investment in the financial account. Thus, regardless of the amount, reinvested earnings are not an external financing need or source.*

C2-1 Direct investment flows according to the extended directional principle



tions stemming from intrinsic changes in the earnings of the foreign companies owned. The reinvested earnings of foreign subsidiaries of French groups stood at 27 billion in 2011, outstripping the previous historic highs seen in 2005 and 2006 (Chart C2-2).

Outward real-estate investment³ was down compared to the previous year and stood at 2.2 billion.

Outward equity investment (excluding real estate) declined by 18% to 19 billion. This investment can take many forms: creation of a new foreign subsidiary, recapitalisation or increasing the capital of an existing subsidiary, acquiring an equity interest in a company that had no previous links to the direct investor. Cross-border mergers and acquisitions, with a net amount of 7 billion, contributed to the aggregate decline compared to 2010. They accounted for an unusually small proportion of the total equity capital transactions for the year (Table STAT_2.2 in Appendix I). French groups acquired a relatively large number of foreign companies in 2011, and some of the deals involved large sums, but they were largely offset by major disposals of other foreign assets.

Acquisitions of foreign companies in 2011 included some large deals, such as Sanofi-Aventis's acquisition of the American biotechnology company Genzyme, LVMH's takeover of the Italian Jeweller Bulgari, the Lactalis group's takeover of the Italian milk and cheese company Parmalat, the Total group's acquisition of a stake in the Russian gas and oil producer Novatek and Axa's acquisition of the Australian insurer AMP's Asian subsidiary.

1|1 Direct investment abroad

When presented according to the "extended directional principle" methodology used to record inter-company lending within international groups,² France's outward direct investment stood at 62 billion in 2011, up by 12 billion after declining for three years in a row.

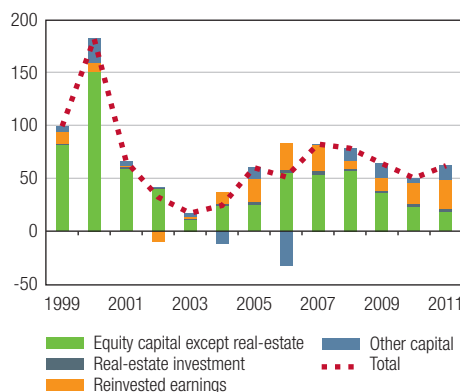
Reinvested earnings account for the bulk of France's direct investment abroad. The level of reinvested earnings increased as a result of the steady outward investment trend since the beginning of the nineteen-nineties, except, of course, for annual varia-

² Under the conventional methodology, intercompany loans are recorded in the same way as other balance of payments flows, i.e. on the basis of resident companies' assets and liabilities vis-à-vis non-residents. Under the "extended directional principle" rule, loans between fellow companies in the same international group (meaning companies with no direct equity capital links or where one company holds less than a 10% equity interest in the other) are classified as outward direct investment or inward direct investment, depending on the country of residence of the ultimate controlling parent. The new method, which will become the standard for presenting direct investment statistics in Europe starting in 2014, is explained in detail in Box 2.1 on page 32 of the 2009 Annual Report on the French Balance of Payments and International Investment Position.

³ There are two different forms of real-estate investment: real-estate purchases per se, meaning purchases of buildings, and outward investment by resident real-estate companies, including mergers, acquisitions, equity investments, capital increases and loans by resident companies to affiliated non-resident companies. Here, "real-estate investment" means purchases of buildings, which are distinguished as far as possible from other direct investment transactions because of their specific nature.

C2-2 Outward direct investment flows according to the extended directional principle

(signed as IIP; EUR billions)



T2-2 Outward direct investment flows (according to the extended directional principle)

(EUR billions)

	2009	2010	2011
Equity capital (excluding real-estate investment)	-36.3	-23.1	-18.9
New investments	-91.8	-55.3	-60.6
Disposals	55.6	32.1	41.7
Real-estate investment	-2.1	-2.9	-2.2
New investments	-2.4	-3.3	-2.3
Disposals	0.3	0.3	0.0
Reinvested earnings	-11.7	-19.3	-27.2
Other capital	-13.9	-4.7	-13.6
Total	-63.9	-50.1	-61.9

In the opposite direction, major disposals stemmed from the groups' shift in their businesses by geographical area or business sector. Such deals include EDF International's sale of its 45% stake in EnBW (Germany) to the Bade-Württemberg government, the sale by Odival, a Total subsidiary, of its 48.8% stake in the Spanish oil company CEPSA to IPIC, a fund from Abu Dhabi, Vivendi's disposal of all of its stake in NBC Universal (United States), the demerger of Carrefour and its Spanish subsidiary Dia, or Axa's sale of its life and non-life insurance business in Canada (see the list of the main deals announced by the groups concerned in Table STAT_2.7 in Appendix I).

The structure by sector shows that foreign investment by extractive industry and manufacturing groups was up sharply in 2011, accounting for more than half of annual flows, as opposed to less than 30% in 2009 and 2010. Investment by groups in the retail and wholesale trade and repair of motor vehicles sector, as well as in the electricity, gas and steam supply sector, was down compared to 2010. This decline needs to be seen in the context of their high levels of foreign investment in 2008, 2009 and 2010 (Table STAT_2.5 in Appendix I).

The geographical structure shows that the 27 countries of the European Union received 58% of France's outward direct investment flows in 2011, which was similar to their share in 2010. However, the split between the 17 countries in the euro area and the other European Union countries changed in favour of the latter, which saw their share increase by 12 percentage points. Among the industrialised countries, the main destinations are the United Kingdom, Italy, Belgium and the United States. Russia is the top destination among emerging and developing countries, followed by Brazil, a favourite of French investors for several years now (Table STAT_2.3 in Appendix I).

1|2 Direct investment in France

Inward direct investment increased by 22 billion compared to 2009 and by 11 billion compared to 2010 to stand at 26 billion in 2011. Two items contributed to the improvement in inward flows between 2010 and 2011: «other capital» or inter-company lending, restated according to the extended directional principle, rose by 9 billion and reinvested earnings were up by 2 billion (Table T2-3).

Equity capital transactions (excluding real estate) stood at less than 6 billion in 2011, one of the lowest levels in the last decade, along with 2010, despite a recovery in business and transactions (Table STAT_2.2 in Appendix I). The increase in inward new investments, which were up by 40%, was offset by an equivalent increase in disposals, which rose by 51%.

Inward real-estate investment was steady at 6 billion in 2011. It consisted mainly of deals in office real-estate.

Intercompany lending showed a net inflow for the first time since 2005. This means that the net financing of resident subsidiaries of foreign groups is once more provided by their parent companies or by other foreign companies within their groups to underwrite their investment or expansion. This is in contrast to the situation between 2006 and 2010, and more specifically in 2006 and in 2009, when French subsidiaries of foreign groups reduced their overall net borrowing from foreign entities in the same group, which meant that they became net lenders to their groups (Chart C2-3).

Some of the major deals in 2011, financed by intercompany lending in some cases, include the acquisition of

T2-3 Inward direct investment flows (according to the extended directional principle)

(EUR billions)

	2009	2010	2011
Equity capital (excluding real-estate investment)	10.2	5.3	5.6
New investments	23.9	21.1	29.6
Disposals	-13.7	-15.8	-23.9
Real-estate investment	4.3	6.4	6.5
New investments	5.3	8.3	8.7
Disposals	-1.0	-1.9	-2.2
Reinvested earnings	-2.3	5.1	7.0
Other capital	-7.9	-1.5	7.4
Total	4.2	15.2	26.5

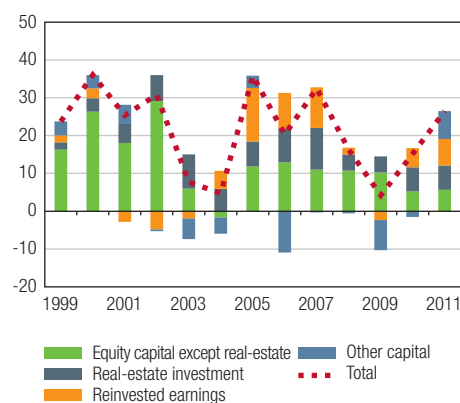
the chemicals company Rhodia by the Belgian Solvay group after a successful takeover bid, the acquisition of a 30% stake in GDF Suez Exploration et Production International by the Chinese sovereign wealth fund China Investment Corporation via a Luxembourg holding company, the acquisition of a 90% stake in the electrical equipment company Converteam by the American conglomerate General Electric, the takeover by the South African group Steinhoff of the distributor Conforama, which was previously owned by the PPR group, and the sale of Lafarge's plaster business in France and abroad to the Belgian group Etex. Major disposals included the British telecommunication group Vodafone's sale of its stake in SFR to Vivendi. The Luxembourg holding company, Financière Light III, which is a subsidiary of the American investment fund KKR, and the Dutch holding company Legron BV, which is a subsidiary of the French group Wendel, sold another stake in Legrand. The German group Siemens sold its 34% stake in Areva NP and the second cofounder of EDF Énergies nouvelles sold his stake in the company to EDF via a Luxemburg holding company.

The sectors attracting direct investment in 2011 included finance and insurance, which encompass the holding company sector. They accounted for 60% of net inward flows, or 16 billion. Real-estate activities accounted for 26% of the inflows and manufacturing accounted for 27%, especially chemicals and pharmaceuticals. After seeing disposals in 2010, three sectors were popular with investors again in 2011: transportation and storage (7% of inflows); wholesale and retail trade, repair of motor vehicles and motorcycles (6% of inflows) and energy (6% of inflows). On the other hand, foreign investors disposed of their interests in the information and communication sector. The sum of inflows is greater than 100% of total net flows because of outflows from disposals (Table STAT_2.6 in Appendix I).

As in previous years, the geographic structure of inflows shows that the majority come from Switzerland (18% of net flows), Belgium (17%), the United Kingdom (15%) and Germany (11%). The share of inflows from the Netherlands (33% of net inflows) can be attributed to the investments of many holding companies and special purpose entities located there (Table STAT_2.4 in Appendix I).

C2-3 Inward direct investment flows according to the extended directional principle

(EUR billions)



2 | PORTFOLIO INVESTMENT

The inflow of capital generated by portfolio investment reached a historic high of 252 billion in 2011, compared to 123 billion in 2010 and besting the high posted in 2009 (Table T2-4).

The inflow stems from residents' sales of foreign securities, which stood at 177 billion, compared to 26 billion in 2010. Such inflows from residents' disposals, seen for the first time in more than 10 years, increased, whereas inflows of capital from non-residents' purchases of French

T2-4 Portfolio investment by instrument

(EUR billions)

	2009			2010			2011		
	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance
Equity securities	-32.0	29.7	-2.2	-20.4	-7.3	-27.7	44.8	17.2	62.0
Mutual fund shares/units	3.1	17.5	20.6	4.6	3.5	8.1	9.3	-14.7	-5.4
Bonds and notes	-12.2	189.8	177.6	16.2	99.1	115.2	80.8	96.0	176.8
Short-term debt securities	-31.0	77.3	46.3	25.9	1.7	27.6	42.7	-24.4	18.3
Total	-72.2	314.4	242.2	26.2	96.9	123.2	177.5	74.1	251.6

Assets: residents' transactions in securities issued by non-residents.

Liabilities: non-residents' transactions in securities issued by residents.

No sign: non-residents' net acquisitions of French securities or residents' net sales of foreign securities;

(-) sign: non-residents' net sales of French securities or residents' net acquisitions of foreign securities.

securities declined from 97 billion in 2010 to 74 billion in 2011.

The structure of portfolio investment by issuing sector shows a substantial change compared to 2010 and 2009 (Table T2-5 and Chart C2-4). Capital inflows attributed to transactions in government securities increased from 20 billion to 93 billion, a level similar to that seen in 2009. The inflows are split fairly evenly between increases in liabilities towards non-residents and decreases in assets vis-à-vis non-residents. Residents also contributed to capital inflows by being net sellers of securities issued by non-resident monetary financial institutions (MFIs). Net inflows attributable to transactions in securities issued by "other sectors" were comparable to those seen in 2010, with a slight decrease of 16 billion.

The breakdown of portfolio investment flows by type of instrument shows that transactions in listed equi-

ties generated large capital inflows of 62 billion for the first time since 2007. Transactions in other types of instruments (bonds, short-term debt securities and mutual fund shares/units) generated inflows of nearly 190 billion, which is greater than the inflows in 2010. The capital inflows relating to these two categories of instruments stemmed mainly from residents' sales of securities: 45 billion for equities and 132 billion for bonds, short-term debt securities and mutual fund shares/units, for a total of 177 billion.

2|1 Assets (residents' transactions in securities issued by non-residents)

Residents' net selling of foreign securities concerned most types of instruments, most investor sectors and most geographical areas.

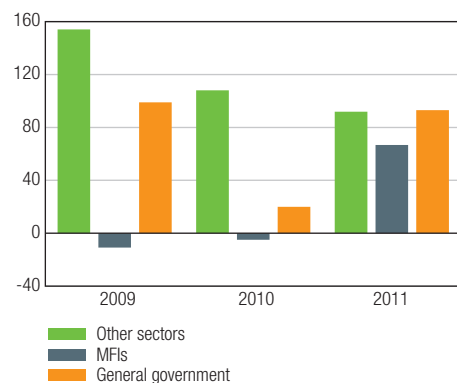
T2-5 Portfolio investment by issuing sector

(EUR billions)

	2009	2010	2011
Assets	-72.2	26.2	177.5
General government	-54.9	-27.9	48.5
MFIs	-44.0	-43.8	56.2
Other sectors	26.8	97.9	72.8
Liabilities	314.4	96.9	74.1
General government	153.9	47.8	44.5
MFIs	33.2	38.9	10.5
Other sectors	127.3	10.2	19.1
Balance	242.2	123.2	251.6
General government	99.0	20.0	93.0
MFIs	-10.8	-4.9	66.7
Other sectors	154.1	108.1	91.9

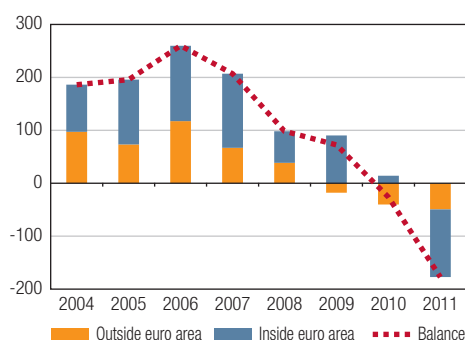
C2-4 Net portfolio investment flows by issuing sector

(EUR billions)



C2-5 Residents' purchases of securities issued by non-residents inside and outside the euro area

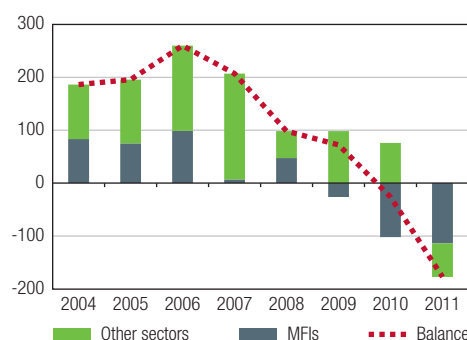
(EUR billions)



Note: (+) sign means an increase in France's liabilities ; (-) sign means an increase in assets.

C2-6 Residents' purchases of securities issued by non-residents by investor's sector

(EUR billions)



The breakdown by types of instruments shows that net selling of foreign securities, which started in 2010 with net sales of 16 billion, mainly concerned bonds, which accounted for 81 billion in sales. Residents' also sold more short-term debt securities, with sales of 43 billion in 2011, compared to 26 billion in 2010. By contrast, sales of equities and mutual fund shares/units in 2011 (54 billion) marked a break in the previous trend, where residents invested steadily in such instruments for more than ten years (Table T2-6).

The structure by geographical area shows that residents' 128 billion in sales mainly concerned securities issued by entities located in the euro area for all types of financial instruments combined, whereas

residents had been net buyers of such securities up until 2010 (Chart C2-5). The net selling mainly concerned Germany and Spain, and, to a lesser extent, Italy (see Table STAT_3.1 in Appendix I for a detailed geographical breakdown).

Net selling of securities from outside the euro area continued in 2011, with nearly 50 billion in sales. This was similar to the level seen in 2010 and the United Kingdom accounted for more than half of the sales. This growing trend masks the effects of major portfolio reallocations. In 2011, residents sold 51 billion in equities and mutual fund shares/units, favouring short-term debt securities, becoming net buyers of such securities again, after being net sellers for several years.

T2-6 Assets (residents' transactions in securities issued by non-residents) by geographical area, by instrument and by resident investor's sector

(EUR billions)

	2009			2010			2011		
	MFI	Other sectors ^{a)}	Total	MFI	Other sectors ^{a)}	Total	MFI	Other sectors ^{a)}	Total
Euro area issuers	-2.3	-88.0	-90.3	52.6	-66.7	-14.1	80.2	47.8	128.0
Equity securities and mutual fund shares/units	-2.7	-21.9	-24.7	-9.8	-5.5	-15.3	10.1	-7.0	3.2
Bonds and notes	30.5	-60.5	-30.0	62.1	-53.0	9.2	37.0	40.9	78.0
Short-term debt securities	-30.0	-5.5	-35.6	0.2	-8.2	-8.0	33.0	13.9	46.9
Issuers outside the euro area	28.6	-10.4	18.1	49.6	-9.3	40.4	33.8	15.7	49.5
Equity securities and mutual fund shares/units	-0.3	-3.9	-4.2	-0.8	0.3	-0.6	19.1	31.7	50.8
Bonds and notes	37.2	-19.5	17.8	30.6	-23.6	7.0	8.2	-5.4	2.8
Short-term debt securities	-8.4	12.9	4.5	19.9	14.1	33.9	6.5	-10.6	-4.2
All issuers	26.2	-98.4	-72.2	102.2	-76.0	26.2	114.0	63.5	177.5
Equity securities and mutual fund shares/units	-3.0	-25.8	-28.9	-10.6	-5.3	-15.9	29.3	24.7	54.0
Bonds and notes	67.7	-79.9	-12.2	92.7	-76.5	16.2	45.2	35.5	80.8
Short-term debt securities	-38.4	7.4	-31.0	20.1	5.8	25.9	39.5	3.3	42.7

a) Including general government and monetary authorities.

Two thirds of the 114 billion in sales of foreign securities were made by MFIs in 2011, following sales of 102 billion in 2010. After being net buyers in 2010, MFIs reduced their assets in equity securities and mutual fund shares/units issued by non-residents inside and outside the euro area. The net selling of debt securities seen in 2010 continued in 2011, but at a slower pace for debt securities from outside the euro area and for euro area bonds (Table T2-6 and Chart C2-6).

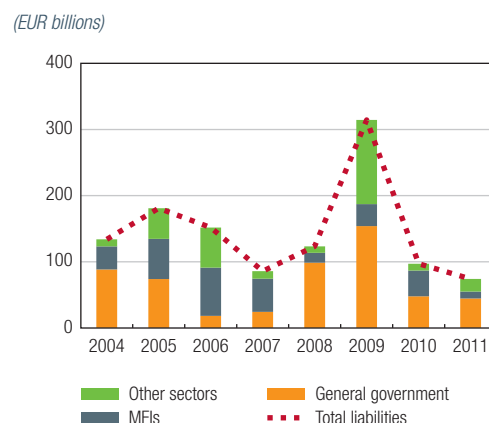
By contrast, the decrease in other sectors' portfolios of foreign securities (64 billion in 2011) follows several years of major net buying. The sales primarily concerned euro area debt securities, including bond sales of 41 billion, following purchases of 53 billion in 2010, along with equity securities and mutual fund shares/units from outside of the euro area. Residents continue to be net buyers in other areas, but for minor amounts. These sales of foreign securities are attributable to insurance companies (48 billion) and non-money market mutual funds (23 billion).

2|2 Liabilities (non-residents' transactions in securities issued by residents)

Non-residents' net buying of French securities stood at 74 billion, which was less than the 97 billion recorded in 2010 (Table T2-7 and Chart C2-7).

Non-residents' preferences lay in government securities, which accounted for 60% of capital inflows. On the other hand, non-residents' buying of securities issued by MFIs declined from 39 billion in 2010 to 11 billion in 2011. Non-residents' purchases of securities issued by "other sectors" accounted for 26%

C2-7 Non-residents' purchases of French securities by issuing sector



of the inflows, or 19 billion, compared to 10 billion in 2010. The data for 2009 and 2010 need to be interpreted with care because of issuance by SFEF (Société de financement de l'économie française), which was recorded under "other sectors". In economic terms, however, this issuance is really the same as issuance by MFIs.

Non-residents invested primarily in long-term debt securities (bonds and notes) in 2011 (96 billion), as they did in 2010 (99 billion), but they did buy a larger proportion of securities denominated in euros. On the other hand, they were net sellers of short-term debt securities, making net sales of 24 billion in 2011, mainly in securities issued by MFIs, after making small net purchases in 2010. Non-residents made net purchases of 3 billion in equity securities and mutual fund shares/units in 2011, following small net sales in 2010.

T2-7 Liabilities (non-residents' transactions in securities issued by residents) by instrument and the resident issuer's sector

(EUR billions)

	2009				2010				2011			
	Gen. govt.	MFIs	Other sectors	Total	Gen. govt.	MFIs	Other sectors	Total	Gen. govt.	MFIs	Other sectors	Total
Equity securities and mutual fund shares/units	0.0	9.7	37.5	47.2	0.0	-11.2	7.4	-3.8	0.0	0.0	2.5	2.5
Bonds and notes	83.1	18.3	88.4	189.8	51.8	42.8	4.4	99.1	49.0	32.6	14.3	96.0
Euro	76.3	25.9	48.7	150.8	48.4	26.5	1.4	76.4	46.5	27.4	9.3	83.2
Foreign currencies	6.8	-7.5	39.7	39.0	3.4	16.3	3.0	22.7	2.6	5.2	5.0	12.8
Short-term debt securities	70.9	5.2	1.3	77.3	-4.0	7.3	-1.7	1.7	-4.6	-22.2	2.3	-24.4
Euro	60.9	-0.8	0.5	60.6	-3.4	11.0	-1.0	6.7	-11.8	-14.3	2.8	-23.3
Foreign currencies	9.9	6.0	0.8	16.7	-0.6	-3.7	-0.7	-5.0	7.2	-7.9	-0.5	-1.1
Total	153.9	33.2	127.3	314.4	47.8	38.9	10.2	96.9	44.5	10.5	19.1	74.1

3 | FINANCIAL DERIVATIVES

Transactions in financial derivatives generated capital inflows of 14 billion in 2011.⁴

Net inflows for options stood at 18 billion in 2011. This figure should be considered in context, since many of the transactions are related to securities transaction flows, which are recorded symmetrically under portfolio investment. For example, they may be options written to hedge the interest rate risk on an issue of securities. Futures transactions generated 2 billion in capital inflows and interest rate swaps resulted in net outflows of 7 billion. These flows usually result from the settlement of hedging transactions.

The geographical structure shows that net inflows related to financial derivatives stood at 18 billion with counterparties that are euro area residents and that financial derivatives transactions with counterparties outside of the euro area resulted in a net outflow of 4 billion. The net flows were largest with counterparties from the Netherlands (18 billion), Germany (9 billion) and Luxembourg (net outflow of 4 billion). The net flows were relatively unaffected by the volume of cross-border transactions, which can be estimated from the gross flows. According to the gross flows,

⁴ This result is based on a statistical collection system that has been renovated to prepare for the requirements of the 6th edition of the IMF Balance of Payments Manual. See Appendix II-D.

the United Kingdom accounts for approximately half of the flows, followed by Germany and the United States (approximately 20% each).

4 | OTHER INVESTMENT (DEPOSITS AND LOANS)

Deposit and loan transactions with non-residents generated capital outflows of 177 billion in 2011, compared to 89 billion in 2010. These outflows can be attributed to residents' reduction of their net liabilities by 96 billion and an increase of 81 billion in their assets.

Resident MFIs account for the bulk of these flows, since they reduced their liabilities by 173 billion, which was comparable to the reduction of their liabilities in 2009, and they increased their assets by 57 billion (Chart C2-8). The increase in assets and the decrease in liabilities combined to generate capital outflows of 230 billion. The corollary to this change in MFIs' loans and deposits transactions is their net sales of 114 billion in foreign securities in 2011 (see 2|1). The capital outflows generated by these loan and deposit transactions were partially offset by inflows generated by sales of securities, recorded as portfolio investment transactions.

The Banque de France's transactions generated net inflows of 78 billion in 2011, after posting net outflows for two years in a row (42 billion in 2010).

T2-8 Other investment (deposits and loans)

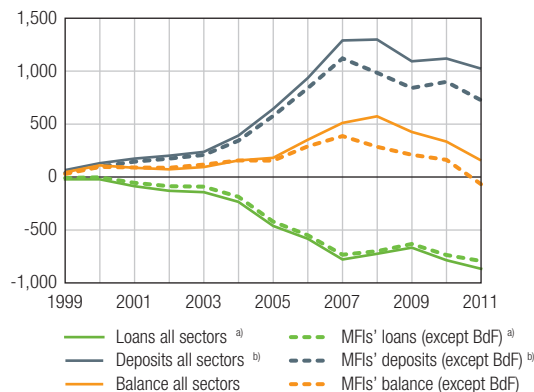
(EUR billions)

	2009	2010	2011
Other investment	-147.5	-89.3	-177.3
Assets	57.9	-124.7	-80.8
Liabilities	-205.4	35.4	-96.5
Banque de France	-47.0	-42.3	77.6
Assets	-2.7	-10.9	11.4
Liabilities	-44.2	-31.4	66.3
<i>of which liabilities towards the ESCB (TARGET)</i>	<i>-55.7</i>	<i>-33.7</i>	<i>49.1</i>
General government	-5.0	-3.2	-5.7
Assets	-0.6	-3.5	-9.9
Liabilities	-4.5	0.3	4.2
Monetary financial institutions	-75.8	-46.6	-230.2
Assets	67.2	-103.8	-56.9
<i>Euro</i>	<i>35.7</i>	<i>-74.4</i>	<i>-11.1</i>
<i>Foreign currencies</i>	<i>31.4</i>	<i>-29.4</i>	<i>-45.8</i>
Liabilities	-142.9	57.2	-173.3
<i>Euro</i>	<i>-94.0</i>	<i>59.2</i>	<i>4.5</i>
<i>Foreign currencies</i>	<i>-48.9</i>	<i>-2.0</i>	<i>-177.8</i>
Other sectors^{a)}	-19.8	2.8	-19.1

^{a)} Non-financial corporations, non-monetary financial intermediaries (investment firms and mutual funds other than money market funds), insurance companies.

C2-8 **Loans and deposits of all resident sectors (including MFIs)**

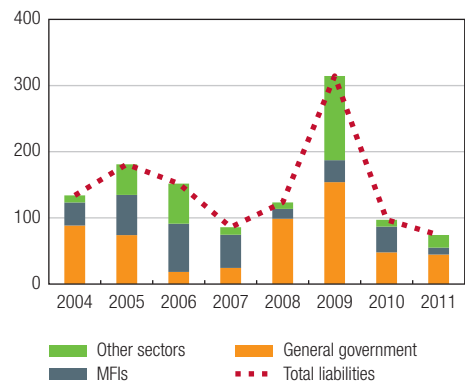
(cumulative flows, EUR billions)



a) Negative flows correspond to an increase in loans. Positive flows correspond to a decrease in loans.
b) Negative flows correspond to a decrease in deposits. Positive flows correspond to an increase in deposits.

C2-9 **MFIs' interbank liabilities**

(EUR billions)



Note: Negative flows correspond to a decrease in liabilities and positive flows to an increase in liabilities.

4|1 **Deposits and loans of monetary financial institutions (MFIs)**

The bulk of MFIs' deposit and loan flows concerned short-term transactions (Table T2-9). Thus, 46 billion of the 57-billion increase in loans to non-residents concerned short-term loans. The reduction of

liabilities primarily concerned short-term liabilities (155 billion out of a total of 173 billion).

The majority of flows were still related to interbank transactions and attributable to the reduction of 148 billion in liabilities and the concomitant increase of 46 billion in assets (Chart C2-9, also see Chapter 3 on the preponderant share of such transactions in MFIs' international investment position).

T2-9 **Other investment**

Resident MFIs' flows of loans and deposits

(EUR billions)

	Vis-à-vis the rest of the world			Vis-à-vis countries outside of the euro area		
	2009	2010	2011	2009	2010	2011
Assets	67.2	-103.8	-56.9	63.0	-84.0	-58.9
Long-term	-9.9	-28.2	-10.7	-3.5	-16.8	-8.5
Euro	-19.4	-19.4	-8.0	-12.0	-9.7	-6.8
Foreign currencies	9.6	-8.7	-2.7	8.5	-7.1	-1.7
Short-term	77.0	-75.6	-46.2	66.5	-67.1	-50.4
Euro	55.2	-54.9	-3.1	42.7	-45.8	-8.6
Foreign currencies	21.9	-20.7	-43.1	23.9	-21.4	-41.8
Liabilities	-142.9	57.2	-173.3	-101.0	24.4	-158.1
Long-term	-48.8	12.9	-18.4	-41.9	-10.8	1.8
Euro	-27.0	16.9	-18.3	-20.1	-7.1	2.4
Foreign currencies	-21.8	-4.0	-0.1	-21.8	-3.7	-0.7
Short-term	-94.1	44.3	-154.8	-59.1	35.3	-159.8
Euro	-67.0	42.3	22.8	-42.4	45.5	9.8
Foreign currencies	-27.1	2.0	-177.7	-16.7	-10.2	-169.6
Net flows	-75.8	-46.6	-230.2	-38.0	-59.5	-216.9
Euro	-58.3	-15.2	-6.6	-31.8	-17.1	-3.2
Foreign currencies	-17.5	-31.3	-223.6	-6.2	-42.4	-213.8
Long-term	-58.7	-15.2	-29.2	-45.4	-27.7	-6.7
Short-term	-17.0	-31.3	-201.0	7.4	-31.9	-210.2

4|2 Deposits and loans of other sectors than MFI

The reduction of interbank liabilities stems predominantly from foreign currency transactions with counterparties located in the United States, in particular.

Symmetrically, but to a lesser extent, a large share of the interbank loans, which are primarily foreign currency transactions, went to counterparties located in the United States.

The general government sector posted net outflows of 5.7 billion, mainly as a result of the payment of 6.9 billion to Greece under the terms of the European rescue plan for Greece (Table T2-8).

The Banque de France reported an increase in its liabilities in 2011, owing in part to its debt of 24.6 billion to the European Central Bank as a result of currency swaps under the dollar auction facility. This debt is covered by the claim for the monetary refinancing of French credit institutions⁵ (for further information, see the Banque de France's international investment position in Chapter 3).

⁵ See the Banque de France 2011 financial statements at: http://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/comptes-annuels-2011.pdf

Box 2

Revisions of 2009 and 2010 balance of payments data

For the publication of the Annual Report, some of the data from previous years are usually updated. Most of the revisions concern the previous two years. The 2011 Annual Report also incorporates data from 2009 onwards that result from more substantial changes, new surveys and new methodologies, which are explained in detail in the appendix.

Main revisions to the current account

The 2009 current account balance was improved by 3.3 billion to -25.1 billion, and by 3.5 billion in 2010 to -30.2 billion.

The new supplementary survey on international trade in services (ECEIS) led to a very substantial upward revision of service receipts and payments, excluding travel, in 2009 and 2010. The effect on the balance was not very large because of the combined increase in both payments and receipts. Nevertheless, the scale of the revision was unusual for this item. It improved the balance for services, excluding travel, by 8.2 billion in 2009 and by 5.9 billion in 2010 (an increase of 6.3 billion can be attributed to the effect of the new survey in 2010).

Revisions to income are not the result of a change in methodology. They are due to the incorporation of more precise data, as was the case in previous years. Compensation of employees was increased by 1.0 billion in 2010 to account for the increase in the number of French residents working abroad. The corrections to investment income in 2010 stem primarily from the revision of direct investment income. This income, which was estimated in the previous Annual Report, has been revised upwards by 2.8 billion in receipts and downwards by 0.2 billion in payments after incorporating the data from the annual financial statements of French companies and their foreign subsidiaries.¹

Current transfers were also affected by a change in methodology concerning outward workers' remittances. The new methodology accounts directly for revisions to outward remittances of 6.3 billion in 2009 and 6.9 billion in 2010 and a proportionate deterioration of the balance.

.../...

¹ See Box 1.3 on page 25 of the 2009 Annual Report on the French Balance of Payments and International Investment Position "Methods for compiling and estimating direct investment income".

Balance of principal balance of payments components

(EUR billions)

	2009			2010		
	Annual Report 2010	Annual Report 2011	Revisions	Annual Report 2010	Annual Report 2011	Revisions
Current account	-28.4	-25.1	3.3	-33.7	-30.2	3.5
Goods	-43.1	-43.0	0.2	-53.7	-52.9	0.8
Merchandise	-43.6	-44.3	-0.8	-53.5	-54.1	-0.6
Customs data	-42.9	-45.1	-2.1	-51.1	-51.8	-0.7
Services	10.2	18.3	8.2	10.0	15.9	5.9
Transportation	-0.7	-2.0	-1.3	0.1	-3.2	-3.2
Travel	8.0	8.0	0.0	6.1	5.9	-0.1
Other services	2.9	12.4	9.5	3.9	13.1	9.2
Income	31.6	32.8	1.2	36.5	40.7	4.1
Compensation of employees	9.6	9.9	0.3	9.9	10.9	1.0
Investment income	22.0	22.9	0.9	26.6	29.8	3.2
Direct investment	25.7	26.6	0.9	34.1	37.1	3.0
Portfolio investment	0.1	0.1	0.0	-5.1	-5.1	0.0
Other investment	-3.7	-3.7	0.0	-2.4	-2.3	0.2
Current transfers	-27.1	-33.3	-6.2	-26.5	-33.8	-7.3
Capital account	0.3	0.3	0.0	0.0	0.0	0.0
Financial account	41.1	22.0	-19.0	18.2	27.5	9.3
Direct investment	-49.6	-59.7	-10.1	-37.9	-34.9	3.0
Outward	-74.1	-77.1	-3.0	-63.5	-58.0	5.5
<i>of which: equity capital</i>	-39.2	-38.3	0.8	-20.3	-26.1	-5.7
<i>reinvested earnings</i>	-8.6	-11.7	-3.1	-24.1	-19.3	4.8
<i>other capital (conventional presentation)</i>	-26.4	-27.1	-0.8	-19.1	-12.6	6.5
<i>other capital (extended directional principle)</i>	-13.5	-13.9	-0.4	-6.3	-4.7	1.6
Inward	24.5	17.4	-7.1	25.6	23.1	-2.5
<i>of which: equity capital</i>	15.1	14.5	-0.6	11.0	11.6	0.6
<i>reinvested earnings</i>	1.3	-2.3	-3.6	12.8	5.1	-7.7
<i>other capital (conventional presentation)</i>	8.1	5.3	-2.8	1.8	6.4	4.6
<i>Other capital (extended directional principle)</i>	-4.8	-7.9	-3.1	-11.0	-1.5	9.6
Portfolio investment	251.1	242.2	-8.8	119.9	123.2	3.3
Assets (residents transactions in securities issued by non-residents)	-77.4	-72.2	5.3	23.2	26.2	3.1
Equity securities and mutual fund shares/units	-27.2	-28.9	-1.7	-17.0	-15.9	1.2
Bonds and notes	-11.6	-12.2	-0.6	-0.2	16.2	16.4
Short-term debt securities	-38.6	-31.0	7.5	40.4	25.9	-14.5
Liabilities (non-residents transactions in securities issued by residents)	328.5	314.4	-14.1	96.7	96.9	0.2
Equity securities and mutual fund shares/units	53.0	47.2	-5.7	-6.3	-3.8	2.5
Bonds and notes	199.2	189.8	-9.4	99.5	99.1	-0.5
Short-term debt securities	76.3	77.3	1.0	3.5	1.7	-1.9
Financial derivatives	-16.9	-16.9	0.0	34.3	34.3	0.0
Other investment	-147.4	-147.5	-0.1	-92.3	-89.3	3.1
Assets	58.1	57.9	-0.2	-118.6	-124.7	-6.1
<i>of which: Monetary financial institutions</i>	67.2	67.2	0.0	-103.8	-103.8	0.0
Liabilities	-205.5	-205.4	0.1	26.3	35.4	9.1
<i>of which: Monetary financial institutions</i>	-142.9	-142.9	0.0	57.2	57.2	0.0
Reserve assets	3.9	3.9	0.0	-5.8	-5.8	0.0
Net errors and omissions	-13.0	2.8	15.8	15.4	2.7	-12.8

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.
The 2010 Annual Report was published in 2011 and the 2011 Annual Report was published in 2012.

.../...

Main revisions to direct investment

The revision of direct investment improved the balance by 10.1 billion in 2009 to -59.7 billion. The downward revision of 3 billion in 2010 put the balance at -34.9 billion. The unusual scale of the revisions in 2009 can be explained by the cumulative effect of the fact that virtually all of the outward and inward direct investment items were revised in the same direction. The revision of reinvested earnings by 6.7 Billion is merely the counterpart to the corrections made to direct investment income.

On the contrary, the substantial revisions of the 2010 data for certain items largely offset each other. Outward direct investment in equity capital was increased by 5.7 billion, since some of the deals that were not reported in 2009 were detected and recorded after the fact, as a result of findings of the survey on stocks of outward direct investment. But reinvested earnings abroad and net lending by French groups to their non-resident subsidiaries were revised downward by 4.8 billion and 1.6 billion respectively. The estimates for reinvested earnings under inward direct investment were revised sharply downward by 7.7 billion, which nearly offsets the reduction of 9.6 billion in the net liabilities of French subsidiaries of foreign groups towards their parent company or other foreign companies in the group.

Main revisions to portfolio investment

The main revisions to portfolio investment concerned the 2009 data and led to a reduction of 8.8 billion in net inflows. The net inflows of portfolio investment in 2010 were revised upwards by 3.3 billion. These revisions stem mainly from corrections of reports filed, information received too late for inclusion in the Annual Report about, for example, partial redemption of debt securities and methodology improvements that make it possible to allocate some equities transactions to direct investment and to value certain securities used in repo transactions.

In 2009, these revisions led to a decrease of 5.3 billion in assets and a decrease of 14.1 billion in liabilities. In 2010, the revisions concerned assets virtually exclusively and the revisions of data concerning bonds offset the revisions of data concerning short-term debt securities.



CHAPTER 3

INTERNATIONAL INVESTMENT POSITION

T3-1 France's international investment position from 2010 to 2011
(direct investment estimated at market value)

(EUR billions)

	Stocks end 2010	Balance of payments flows in 2011 ^{a)}	Variations attributable to changes in exchange rates, market prices and other adjustments ^{a)}				Total variations between end 2010 and end 2011 ^{a)}	Stocks end 2011
			Total	Variation in exchange rates	Variation in market prices	Other adjustments		
			1	2	3			
Direct investment	399.8	35.4	-119.2	6.7	-125.1	-0.8	-83.8	316.0
Outward	1,182.3	64.8	-186.4	8.2	-192.5	-2.1	-121.5	1,060.9
Equity capital	853.0	48.3	-190.0	4.6	-192.5	-2.1	-141.6	711.3
Other capital	329.4	16.6	3.6	3.6	0.0	0.0	20.2	349.6
<i>Other capital (extended directional principle)</i>	<i>60.7</i>	<i>13.6</i>	<i>1.9</i>	<i>2.0</i>	<i>0.0</i>	<i>-0.1</i>	<i>15.6</i>	<i>76.2</i>
Inward	-782.5	-29.5	67.1	-1.6	67.4	1.3	37.7	-744.9
Equity capital	-495.7	-19.1	68.7	0.0	67.4	1.3	49.6	-446.1
Other capital	-286.9	-10.3	-1.6	-1.6	0.0	0.0	-11.9	-298.8
<i>Other capital (extended directional principle)</i>	<i>-18.2</i>	<i>-7.4</i>	<i>0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>-7.3</i>	<i>-25.4</i>
Portfolio investment	-341.5	-251.6	-29.8	-2.3	-9.4	-18.1	-281.4	-622.9
Foreign securities	2,090.4	-177.5	-83.9	9.4	-105.3	11.9	-261.4	1,828.9
Equity securities and mutual fund shares/units	508.7	-54.0	-64.1	0.8	-76.6	11.7	-118.1	390.6
Bonds and notes	1,357.5	-80.8	-24.1	3.3	-29.5	2.1	-104.9	1,252.7
Short-term debt securities	224.1	-42.7	4.3	5.3	0.8	-1.9	-38.4	185.7
Domestic securities	-2,431.8	-74.1	54.1	-11.7	95.9	-30.0	-20.0	-2,451.8
Equity securities and mutual fund shares/units	-570.5	-2.5	83.1	-0.8	84.5	-0.6	80.6	-489.9
Bonds and notes	-1,614.9	-96.0	-10.7	-10.3	12.7	-13.1	-106.7	-1,721.6
Short-term debt securities	-246.5	24.4	-18.3	-0.6	-1.4	-16.3	6.2	-240.3
<i>Memorandum item: Treasury securities</i>	<i>-887.6</i>	<i>-18.1</i>	<i>-17.1</i>	<i>0.0</i>	<i>-5.8</i>	<i>-11.4</i>	<i>-35.2</i>	<i>-922.9</i>
Financial derivatives	-38.0	-13.8	12.6	0.0		12.6	-1.2	-39.2
Other investment	-296.7	177.3	14.9	14.9			192.4	-104.3
Trade credits and payments on account	-16.0	-5.3	-1.6	-1.6			-6.9	-22.9
<i>Assets</i>	<i>78.0</i>	<i>-2.4</i>	<i>-0.4</i>	<i>-0.4</i>			<i>-2.8</i>	<i>75.2</i>
<i>Liabilities</i>	<i>-94.0</i>	<i>-2.9</i>	<i>-1.2</i>	<i>-1.2</i>			<i>-4.1</i>	<i>-98.1</i>
Deposit and loan position	-280.8	182.8	16.5	16.5			199.3	-81.4
Banque de France	-99.5	-77.6	0.2	0.2			-77.4	-176.9
<i>Assets</i>	<i>51.8</i>	<i>-11.4</i>	<i>5.7</i>	<i>5.7</i>			<i>-5.7</i>	<i>46.1</i>
<i>Liabilities</i>	<i>-151.3</i>	<i>-66.3</i>	<i>-5.4</i>	<i>-5.4</i>			<i>-71.7</i>	<i>-223.0</i>
General government	10.7	6.0	0.5	0.5			6.5	17.2
<i>Assets</i>	<i>31.3</i>	<i>10.1</i>	<i>0.2</i>	<i>0.2</i>			<i>10.3</i>	<i>41.6</i>
<i>Liabilities</i>	<i>-20.5</i>	<i>-4.2</i>	<i>0.3</i>	<i>0.3</i>			<i>-3.9</i>	<i>-24.3</i>
Monetary financial institutions	-175.4	230.2	15.8	15.8			246.0	70.7
<i>Assets</i>	<i>1,123.2</i>	<i>56.9</i>	<i>25.0</i>	<i>25.0</i>			<i>81.9</i>	<i>1,205.1</i>
<i>Liabilities</i>	<i>-1,298.6</i>	<i>173.3</i>	<i>-9.2</i>	<i>-9.2</i>			<i>164.1</i>	<i>-1,134.5</i>
Other sectors ^{b)}	-16.6	24.2	0.0	0.0			24.2	7.6
<i>Assets</i>	<i>81.6</i>	<i>27.6</i>	<i>1.4</i>	<i>1.4</i>			<i>29.0</i>	<i>110.6</i>
<i>Liabilities</i>	<i>-98.2</i>	<i>-3.4</i>	<i>-1.5</i>	<i>-1.5</i>			<i>-4.9</i>	<i>-103.1</i>
Reserve assets	124.5	-5.5	14.1	14.1			8.6	133.1
Balance end 2010	-151.9							
(% of GDP)	-7.9							
Variation attributable to flows		-58.1						
(% of GDP)		-2.9						
Variation attributable to changes in market value			-107.5	33.3	-134.5	-6.3		
(% of GDP)			-5.4	1.7	-6.7	-0.3		
International investment position balance at end 2011								-317.3
(% of GDP)								-15.9

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.

a) Position by sign: No sign means an increase in assets or a decrease in liabilities;

(-) sign means a decrease in assets or an increase in liabilities.

b) Non-financial corporations, insurance companies, investment firms, mutual funds other than money market funds.

The international investment position represents the nation's net assets or liabilities vis-à-vis other countries. The balance of payments records annual flows, while the international investment position records stocks. Furthermore, the signs are reversed: in the balance of payments, an outflow of funds is given a negative sign, since it creates a borrowing requirement. In the international investment position, capital outflows are given a positive sign, since they correspond to acquisitions of foreign assets. The net international investment position at the end of 2011 was negative, which means that the value of foreign financial assets held was less than the value of liabilities (debts and other financial obligations) towards non-residents.

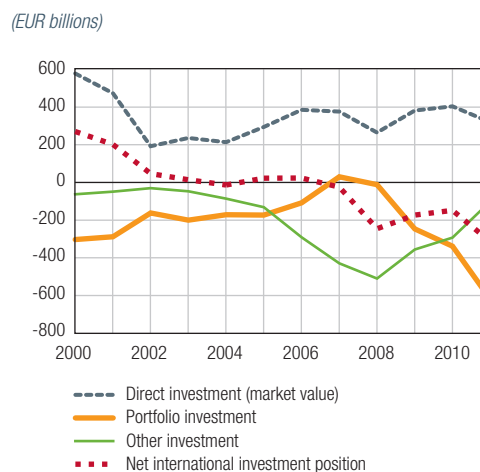
The position deteriorated in 2011. At constant market prices since the end of 2010, residents' net liabilities towards non-residents changed because of the net inflows recorded in the financial account of the balance of payments. These liabilities increased from -152 billion at the end of 2010 to -210 billion, or 10.8% of GDP, at the end of 2011 (Table T3-1). With the change in market values, France's international investment position showed net liabilities of 317 billion at the end of 2011.¹

The growth of liabilities stems from changes in asset and liability flows, which accounted for more than one third of the net balance, and changes in stock market prices, which accounted for more than three quarters of the net balance. These changes were only partially offset by changes in exchange rates, which accounted for 20% of the net balance in the opposite direction.

As explained in Chapter 2, French residents were net sellers of foreign securities, particularly those from certain countries of the Southern euro area, whereas non-residents were net buyers of French bonds. The combination of these two patterns decreased France's net worth. On the other hand, French credit institutions reduced their borrowing from non-residents. Total cumulative flows of portfolio investment, direct investment, transactions in financial derivatives and "other investment" (loans and deposits) came to 58.1 billion, or 2.9% of GDP, not counting the effects of changes in market values.

Changes in stock market prices in 2011 had a negative impact on France's international investment position (-135 billion). More than 90% of this impact

C3-1 Net international investment position

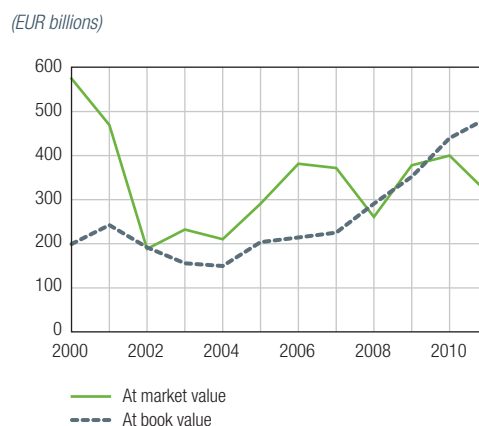


stemmed from falling equity prices (direct investment, Chart C3-1). On the other hand, the decline in the average exchange rate for the euro made a slightly positive contribution of 33 billion.

1 | DIRECT INVESTMENT

The net direct investment position at book value continued to increase under the effect of net outflows of direct investment abroad, rising from 440 billion at the end of 2010 to 486 billion at the end of 2011. The adverse price effects had more impact on foreign assets than on foreign liabilities, which meant that the net direct investment position at market value decreased from 400 billion at the end of 2010 to 316 billion² at the end of 2011 (Chart C3-2).

C3-2 Direct investment (net position at book value and at market value)



¹ France's international investment position at book value shows a smaller negative balance than its position at market value. It deteriorated less, going from -112 billion in 2010 to -148 billion in 2011 (or -7.4% of GDP).

² For explanations about the differences between book value and market value, as well as how the stocks of direct investment at market value are calculated, see the article by D. Nivat and A. Toipol in the Banque de France Bulletin, first quarter 2010: "Market value valuation of foreign direct investment stocks in unlisted companies: methods and results for France".

The factors contributing to the change in the net direct investment position at market value included positive net flows of 35 billion for all types of transactions and positive exchange rate effects of 7 billion. On the other hand, price effects, meaning the impact of changes in stock market and real-estate prices on the value of assets and liabilities, reduced the net position by 125 billion (Table T3-2).

The overall net price effect reflects differences in the amounts and structure of direct investment assets and liabilities. Assets and liabilities are not affected in the same way by falling stock market prices and changes in real-estate prices. The price effect has two main components:

- “Base effect”. The stock of outward direct investment at the end of 2010 was greater than the stock of inward direct investment. If the stocks of inward and outward direct investment increase in value at the same rate, all else being equal, the value

of the net position rises. On the other hand, if the value of the inward and outward direct investment stocks decreases at the same rate, the value of the net position falls. Between the end of 2010 and the end of 2011, the base effect accounted for half of the aggregate price effect.

- “Structure effect”. Equity investment, excluding real-estate, accounted for 90% of the stock of outward direct investment at the end of 2011 recorded under the extended directional principle (Table T3-2). This means that it suffered more from stock market declines in 2011 than the stock of inward direct investment, where investment in equity capital, excluding real estate, only accounted for 70% of the total. If the stocks of inward and outward direct investment were equal and the same rate of positive or negative change in value were applied to each component, the contribution of the structure effect could be estimated at more than one third of the overall price effect.

T3-2 Direct investment at the end of 2010 and at the end of 2011
(estimated market value)

(EUR billions)

	Stocks end 2010 ^{a)}	Balance of payments transactions in 2011 ^{b)}	Variations attributable to changes in exchange rates, market prices and other adjustments ^{b)}				Total variations between end 2010 and end 2011 ^{b)}	Stocks end 2011
			Total	Exchange rate changes ^{b)}	Other price changes ^{b)}	Other adjustments ^{b)}		
	1	2	3				4 = (2+3)	5 = (1+4)
Outward direct investment	913.6	61.9	-188.0	6.5	-192.5	-2.0	-126.1	787.5
Equity capital	853.0	48.3	-190.0	4.6	-192.5	-2.0	-141.6	711.3
Listed companies	67.7	10.0	-16.4	0.6	-9.0	-8.0	-6.4	61.3
Unlisted companies	742.6	36.1	-173.7	3.8	-183.4	5.9	-137.6	605.0
Real-estate investment	42.7	2.2	0.1	0.2	-0.1	0.0	2.4	45.0
Other capital ^{c)}	60.7	13.6	2.0	2.0	0.0	0.0	15.6	76.2
Inward direct investment	-513.8	-26.5	68.8	0.1	67.4	1.3	42.3	-471.5
Equity capital	-495.7	-19.1	68.7	0.0	67.4	1.3	49.6	-446.1
Listed companies	-65.1	0.8	11.4	0.0	12.1	-0.7	12.2	-52.9
Unlisted companies	-283.4	-13.5	67.3	0.0	65.3	1.9	53.8	-229.6
Real-estate investment	-147.2	-6.5	-10.0	0.0	-10.0	0.0	-16.4	-163.6
Other capital ^{c)}	-18.2	-7.4	0.1	0.1	0.0	0.0	-7.3	-25.4
Net position	399.8	35.4	-119.2	6.7	-125.1	-0.8	-83.8	316.0
Equity capital	357.3	29.2	-121.3	4.6	-125.1	-0.8	-92.1	265.2
Listed companies	2.6	10.8	-5.0	0.6	3.0	-8.6	5.8	8.4
Unlisted companies	459.2	22.6	-106.4	3.8	-118.0	7.9	-83.8	375.4
Real-estate investment	-104.5	-4.2	-9.9	0.2	-10.1	0.0	-14.1	-118.6
Other capital ^{c)}	42.5	6.2	2.1	2.1	0.0	0.0	8.3	50.8

a) Revised data.

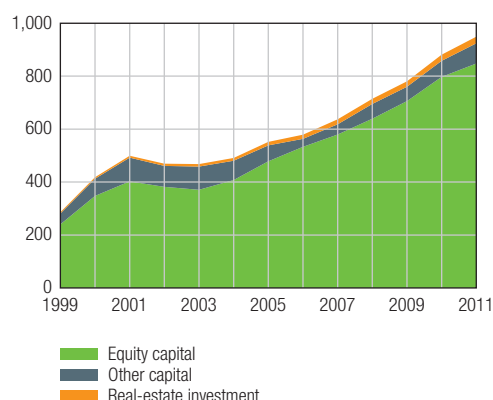
b) Position sign: No sign means an increase in assets or a decrease in liabilities;

(-) sign means a decrease in assets or an increase in liabilities.

c) After restating intercompany lending according to the extended directional principle.

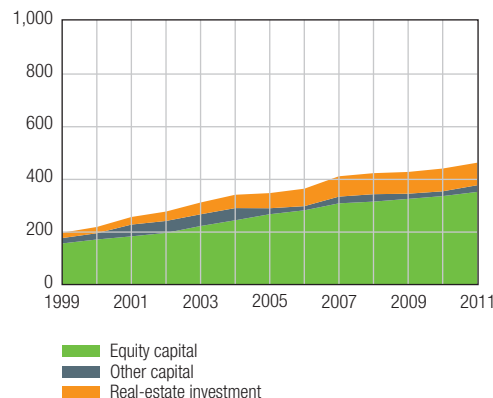
C3-3 Stocks of outward direct investment according to the extended directional principle (at book value)

(EUR billions)



C3-4 Stocks of inward direct investment according to the extended directional principle (at book value)

(EUR billions)



1|1 Direct investment abroad

The stock of outward direct investment at book value increased by 68 billion, compared to the end of 2010, to stand at 949 billion at the end of 2011 (Chart C3-3). Its market value, according to the extended directional principle, stood at 787 billion (Table T3-2).

The increase in book value stems primarily from outward direct investment flows, and, to a minor extent, from exchange rate effects. The presentation of direct investment according to the extended directional principle for the last two years greatly reduces the amount of intercompany lending compared to the previous presentation. This means that investments in equity capital now account for the bulk of outward direct investment at book value (more than 90% at the end of 2011), compared to French groups' net lending to their foreign subsidiaries (8% of the total) and real-estate investment (3% of the total) (Chart C3-3).

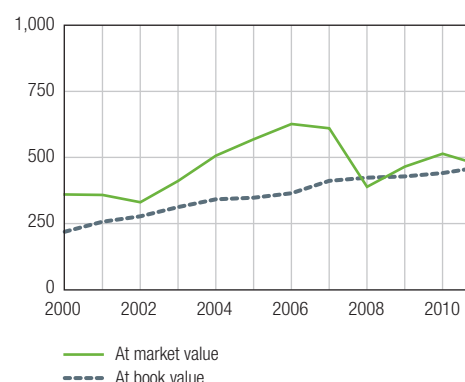
1|2 Direct investment in France

The book value of inward direct investment increased by 22 billion to stand at 463 billion at the end of 2011. Net lending to French subsidiaries by non-resident groups accounted for 5% of the stock, real-estate investment accounted for another 19% and investment in equity (excluding real-estate) accounted for 76%, with slightly more than 10% invested in listed companies (Chart C3-4).

The estimated market value of stocks of inward direct investment stood at 472 billion, after falling by 42 billion from the end of the previous year, despite positive investment flows of 27 billion. Negative valuation effects came to 77 billion, of which 12 billion concerned investments in listed companies and 65 billion concerned investments in unlisted companies. These negative effects were partially offset by a gain of 10 billion in the market value of real-estate investments (Table T3-2).

C3-5 Direct investment in France (at book value and at market value)

(EUR billions)



Box 3

**Inward direct investment stocks by the country of residence
of the ultimate controlling parent**

In accordance with the methodological recommendations of the IMF and the OECD, the standard geographical structure of direct investment stocks is based on the immediate country of origin or destination of the capital.¹ This means that when an American group invests in France through a Luxembourg holding company, the country of origin will be Luxembourg instead of the United States. In order to obtain a clearer picture of the entities that ultimately control resident companies, the OECD recommended in the fourth edition of its Benchmark Definition of Foreign Direct Investment that stocks of inward direct investment should be broken down by the country of residence of the ultimate controlling parent.

¹ See Tables STAT_4.5 and STAT_4.6 in Appendix 1.

**Geographical structure of inward direct investment stocks at book value by the country of residence
of the ultimate controlling parent**

(EUR billions)

	2008	2009	2010	2011	2011 (% of total excluding France)
France	53.1	56.5	58.8	64.0	–
European Union (27 members)	228.2	230.0	237.0	247.4	61.9
Economic and Monetary Union (17 members)	153.6	160.0	163.7	175.5	43.9
of which: Germany	51.8	51.5	54.3	56.4	14.1
Belgium	20.9	24.4	24.2	31.4	7.9
Spain	11.1	10.1	10.9	11.3	2.8
Ireland	4.3	5.6	4.4	4.2	1.0
Italy	16.0	15.3	15.3	15.1	3.8
Luxembourg	23.0	25.8	28.5	32.1	8.0
Netherlands	21.2	21.9	20.9	19.5	4.9
Other European Union countries	74.5	70.0	73.3	71.9	18.0
of which: Denmark	2.2	3.4	3.5	4.1	1.0
Poland	0.1	0.2	0.3	0.3	0.1
Czech Republic	0.0	0.0	0.0	0.0	0.0
Romania	0.0	0.0	0.0	0.0	0.0
United Kingdom	67.7	62.2	65.4	63.4	15.9
Sweden	4.3	4.0	3.8	3.8	1.0
Other industrialised countries	125.6	125.5	127.1	128.9	32.3
of which: Australia	1.1	0.9	1.1	1.2	0.3
Canada	2.4	2.8	2.0	2.1	0.5
United States	84.7	84.3	84.6	85.6	21.4
Japan	7.9	8.4	8.2	8.3	2.1
Switzerland	27.6	26.6	29.1	29.7	7.4
Rest of world	16.7	16.2	18.2	23.0	5.8
of which: Saudi Arabia	0.4	0.6	0.6	0.6	0.2
Brazil	1.7	0.1	0.1	0.1	0.0
China	0.6	0.7	0.5	2.9	0.7
Hong-Kong	0.4	0.3	0.4	0.5	0.1
British Virgin Islands	1.6	3.4	3.1	2.9	0.7
India	0.1	0.3	0.0	0.2	0.0
Lebanon	1.9	0.6	1.7	2.9	0.7
Qatar	0.7	0.7	0.7	0.9	0.2
Russia	1.1	0.5	0.7	0.4	0.1
Turkey	0.2	0.1	0.0	0.0	0.0
Total	423.5	428.1	441.1	463.4	–
Total excluding France	370.4	371.6	382.3	399.4	100.0

Note: See "Definition of geographical areas" in Appendix II-C.

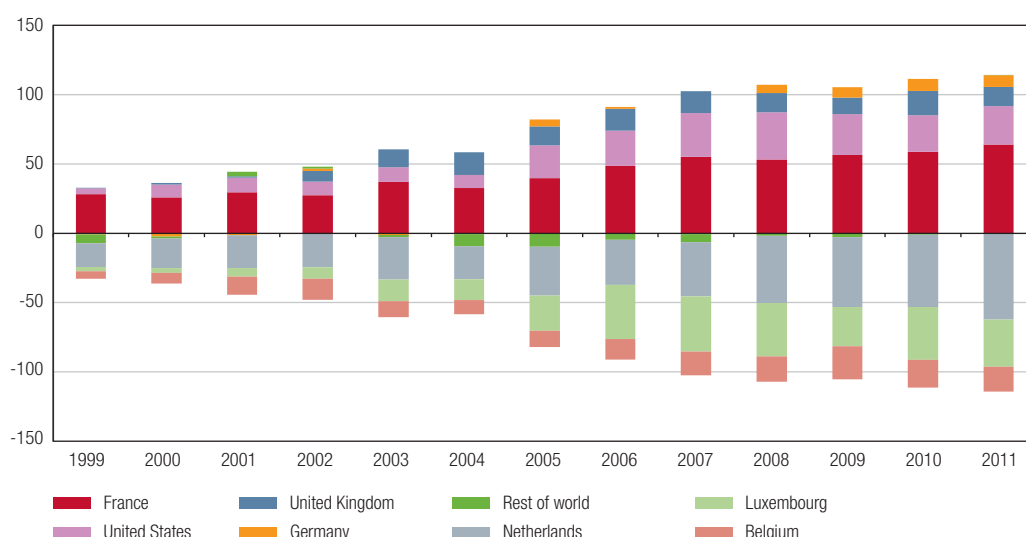
Identifying the ultimate controlling parents' countries of residence (see table above) reveals that French groups ultimately hold a significant share (64 billion or 14% of the total) of the stocks of inward direct investment. The presence of French groups among the leading ultimate controlling parents reflects the investments of non-resident subsidiaries of French groups in their resident subsidiaries in the form of equity capital investments or reinvested earnings.

If we exclude France, the country with the largest increase in its relative share, after identifying the country of residence of the ultimate controlling parent, is the United States. Although it ranks only third as the immediate country of origin of capital, behind the Netherlands and Luxembourg, it becomes the leading investor country in France according to the country of residence of the ultimate controlling parent. It is followed by the United Kingdom, Germany and Luxembourg (Table STAT_4.6 in Appendix I).

While some countries' relative shares increase under this criterion, others decline substantially, including the Netherlands, Luxembourg and Belgium. The chart below shows the main differences between the geographical structure according to the country of residence of the first counterparty and the structure according to the country of residence of the ultimate controlling parent. It is noteworthy that, in 1999, identifying the country of residence of the ultimate controlling parent primarily showed the presence of French groups and, to a lesser extent, a larger presence of American groups, among the countries investing in France. In 2011, this criterion shows that British groups (since 2002 mainly) and German groups (since 2008) also make a significant share of their investments in France indirectly through third countries (mainly the Netherlands, Luxembourg and Belgium).

Main differences by country following identification of the country of residence of the ultimate controlling parent

(EUR billions)



2 | PORTFOLIO INVESTMENT

The net portfolio investment position posted another deficit in 2011, which was even larger than the 2010 deficit. It stood at -623 billion, compared to -341 billion in 2010 (Table T3-3). The worsening of the deficit by 281 billion is the consequence of net inflows of 252 billion recorded in the balance of payments and negative valuation effects. Net inflows may result from two types of flows: either sales of foreign securities held by French investors (decrease in residents' assets), or issues of securities by residents that are subscribed by non-residents (increase in liabilities towards

non-residents represented by securities). In addition to these flows, changes in stock market prices and exchange rates in 2011 led to a downward revaluation of 4.6% of assets in foreign securities and decrease of 3.5% in liabilities towards non-residents.

More specifically, the net position on general government securities showed net liabilities of 544 billion. The negative balance of this net position in stocks is mainly attributable to net liabilities towards non-residents outside of the euro area (-533 billion, compared to -490 billion in 2010). The change from one year to the next stems primarily from the net position vis-à-vis the euro area.

T3-3 Stocks of portfolio investment assets and liabilities vis-à-vis non-residents

By instrument and by currency (euro/foreign currencies)

(EUR billions)

	2009			2010			2011		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Assets	1,662.4	387.5	2 049.9	1,659.4	431.0	2,090.4	1,438.1	390.8	1,828.9
Equity securities and mutual fund	251.2	197.3	448.4	261.3	247.5	508.7	214.2	176.4	390.6
Equity securities	145.8	167.2	313.0	150.0	211.6	361.6	120.9	147.3	268.2
Mutual fund shares/units	105.4	30.0	135.4	111.3	35.8	147.1	93.4	29.0	122.4
Bonds and notes	1,226.5	136.4	1,362.9	1,227.5	130.0	1,357.5	1,103.5	149.2	1,252.7
Treasury notes maturing at more than one year	46.4	1.2	47.6	54.6	9.7	64.2	43.7	7.0	50.7
Other bonds	1,180.1	135.2	1,315.3	1,173.0	120.3	1,293.3	1,059.8	142.2	1,202.0
Short-term debt securities	184.7	53.8	238.5	170.6	53.5	224.1	120.4	65.2	185.7
Treasury notes maturing at less than one year	26.7	50.9	77.6	34.8	46.9	81.6	14.0	62.4	76.4
Other short-term debt securities	158.0	2.9	160.9	135.8	6.6	142.5	106.4	2.9	109.3
Liabilities	-2,005.2	-294.5	-2,299.7	-2,089.2	-342.7	-2,431.8	-2,091.7	-360.2	-2,451.8
Equity securities and mutual fund	-560.9	-12.3	-573.2	-556.9	-13.5	-570.5	-475.9	-14.0	-489.9
Equity securities	-456.7	-2.1	-458.8	-444.9	0.0	-444.9	-386.3	0.0	-386.3
Mutual fund shares/units	-104.2	-10.2	-114.4	-112.1	-13.5	-125.6	-89.7	-13.9	-103.6
Bonds and notes	-1,233.9	-243.4	-1,477.3	-1,322.3	-292.7	-1,614.9	-1,411.4	-310.3	-1,721.6
OATs (Treasury bonds)	-471.7		-471.7	-519.6		-519.6	-553.0		-553.0
BTANs (Treasury notes)	-198.1		-198.1	-211.1		-211.1	-227.7		-227.7
Other notes (BMTNs, EMTNs, etc.)	-564.1	-243.4	-807.5	-591.6	-292.7	-884.3	-630.8	-310.3	-941.0
Short-term debt securities	-210.3	-38.8	-249.2	-210.0	-36.5	-246.5	-204.4	-35.9	-240.3
Treasury bills maturing at less than one year	-161.3		-161.3	-157.0		-157.0	-142.2		-142.2
Other short-term debt securities	-49.0	-38.8	-87.8	-53.0	-36.5	-89.5	-62.1	-35.9	-98.0
Net position	-342.8	92.9	-249.9	-429.8	88.3	-341.5	-653.5	30.6	-622.9

It was nearly in balance in 2011, at -11 billion,³ after posting net assets of 74 billion in 2010.

2|1 Assets (residents' portfolio investment in securities issued by non-residents)

At the end of 2011, French residents owned about 1,892 billion in foreign securities. This represents a decrease of 261 billion compared to 2010, of which 177 billion can be attributed to net selling of foreign securities recorded in the balance of payments (Table T3-4).

At the end of 2011, long-term debt securities accounted for slightly more than two thirds of portfolio investment assets, equity securities and mutual fund units/shares accounted for approximately 20% and short-term debt securities made up the rest. The contraction of assets in 2011 had only a minor impact on this structure, however the proportion of equity securities was reduced somewhat in favour of holdings of long-term debt securities.

Residents' assets are primarily made up of securities from issuers in the euro area, which account for nearly two thirds of the total, even though the proportion of

securities from outside the euro area increased slightly in 2011, from 35% to 37% (Table T3-4). Residents' favourite euro area securities were still those from Germany, Italy, the Netherlands and Spain, which accounted for 42.3% of aggregate positions in foreign securities, which was somewhat less than their share in 2010 (43.5%) (Table STAT_4.11 in Appendix I). Outside of the euro area, French investors mainly favoured securities from the United Kingdom and the United States, which accounted for 9.0% of total assets each. Overall, the proportion of securities issued in the euro area declined slightly, from 65% to 63% from one year to the next. The proportion of assets in securities issued in other industrialised countries increased from 15% to 16%.

The breakdown of portfolio investment by resident investors' sectors shows a further contraction of MFIs' assets in 2011, with a drop of nearly 123 billion, following a drop of 76 billion in 2010. Stocks in other sectors, particularly in the insurance sector, fell less rapidly. MFIs' share of residents' total assets has declined gradually, from 35.5% in 2009 to 31.2% in 2010 and then to 28.9% in 2011.

³ The net position in government securities vis-à-vis the euro area is the difference between the stocks of euro area government securities held by residents and issues of French government securities subscribed by non-residents of the euro area.

T3-4 **Stocks of portfolio investment assets**
By geographical zone, by instrument and by resident investor's sector

(EUR billions)

	2009			2010			2011		
	MFIS	Non-MFIs	Total	MFIS	Non-MFIs	Total	MFIS	Non-MFIs	Total
Euro area issuers	444.0	891.7	1,335.7	395.0	955.8	1,350.7	303.1	844.1	1,147.2
Equity securities and mutual fund	30.1	216.1	246.2	39.5	229.8	269.3	27.1	196.6	223.8
Bonds and notes	317.4	652.1	969.5	257.8	694.2	952.0	211.6	630.1	841.7
Short-term debt securities	96.5	23.4	120.0	97.7	31.8	129.5	64.3	17.4	81.7
Issuers outside the euro area	284.2	430.0	714.2	257.2	482.5	739.6	225.7	456.1	681.8
Equity securities and mutual fund	47.2	155.1	202.3	56.7	182.7	239.4	35.0	131.8	166.9
Bonds and notes	172.0	221.4	393.4	154.1	251.5	405.6	151.2	259.8	411.0
Short-term debt securities	65.0	53.6	118.5	46.4	48.2	94.6	39.5	64.5	103.9
All issuers	728.2	1,321.7	2,049.9	652.1	1,438.2	2,090.4	528.8	1,300.1	1,828.9
Equity securities and mutual fund	77.3	371.2	448.4	96.2	412.5	508.7	62.2	328.4	390.6
Bonds and notes	489.4	873.5	1,362.9	411.8	945.7	1,357.5	362.8	889.8	1,252.7
Short-term debt securities	161.5	77.0	238.5	144.1	80.0	224.1	103.8	81.9	185.7

Residents' assets in euro area government securities fell from 460 billion in 2010 to 373 billion. This decline is the result of net sales in 2011 and negative valuation effects. Investment in government securities from outside the euro area came to 119 billion, following 97 billion in 2010.

2|2 Liabilities (non-residents' transactions in securities issued by residents)

Liabilities stood at 2,452 billion at the end of 2011, compared to 2,432 billion at the end of 2010.

The 20-billion increase breaks down into 74 billion in non-residents' purchases, which were offset by a negative valuation effect of -54 billion (Table T3-1).

Non-residents' portfolio of French equities shrank by 59 billion in 2011, despite non-residents' purchases of 17 billion, since equities lost value (Table T3-5). The proportion of variable-income securities (primarily equities) in non-residents' overall holdings fell from 23% in 2010 to 20% in 2011.

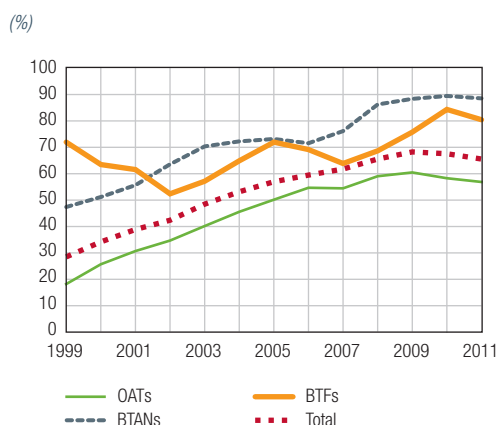
Non-residents' position in debt securities (bonds and short-term debt securities) increased by 101 billion.

T3-5 **Stocks of portfolio investment liabilities**
By resident issuers' sector

(EUR billions)

	2009	2010	2011
Stocks	-2,299.7	-2,431.8	-2,451.8
General government	-910.3	-972.5	-1,037.1
OATs (Treasury bonds)	-471.7	-519.6	-553.0
Other bonds and notes	-60.4	-64.0	-79.6
Treasury notes and bills (BTAN and BTF)	-359.5	-368.0	-369.9
Other short-term debt securities	-18.8	-20.9	-34.7
Monetary financial institutions	-555.4	-590.7	-591.0
Equities	-59.0	-47.5	-28.5
Mutual fund shares/units	-25.1	-15.4	-14.4
Bonds and notes	-413.9	-468.8	-496.6
of which: foreign currencies	-111.6	-140.4	-144.9
Short-term debt securities	-57.5	-58.9	-51.4
Other sectors	-834.0	-868.7	-823.8
Equities	-399.8	-397.4	-357.8
Mutual fund shares/units	-89.3	-110.1	-89.2
Bonds and notes	-333.2	-351.5	-364.9
of which: foreign currencies	-108.7	-123.4	-133.0
Short-term debt securities	-11.6	-9.7	-11.9

C3-6 Share of OATs, BTANs and BTFs held by non-residents



Three quarters of this rise can be attributed to non-residents' acquisitions.

The proportion of government securities in total liabilities increased from 40% in 2009 and 2010 to 42% in 2011. Non-residents' share of negotiable central government debt was down slightly from 66.8% in 2010 to 65.4% in 2011. There was a small decline in proportion of OATs held by non-residents, from 57.6% to 56.7%, and the share of BTFs held by non-residents shrank from 83.7% in 2010 to 80.1% in 2011 (Chart C3-6), but such instruments account for a substantially smaller amount of liabilities.

3 | OTHER INVESTMENT (LOAN-DEPOSIT POSITION)

The loan-deposit position is determined mostly by transactions in the MFI sector, which means banks primarily. In 2011, the balance of the resident MFIs' loan-deposit position (excluding Banque de France) showed a credit of 70.7 billion, following a debit of -175 billion in 2010 and debits since 1995 (Table STAT_4.13 of Appendix I). This change stems from a big drop in deposits, which were down by 164 billion, combined with an 82-billion increase in resident banks' loans to non-residents. These transactions are recorded in the position in foreign currencies (mainly the US dollar) and almost exclusively with counterparties from outside of the euro area (Chart C3-7). In contrast, the position in euro is still slightly negative at -20 billion.

The structure by sector shows a positive position with interbank counterparties (7 billion) and with the non-resident, non-financial sector (114 billion, compared to 102 billion in 2010). One of the key developments in 2011 was that resident banks' position vis-à-vis their non-resident interbank counterparties was more balanced, after showing net liabilities of -206 billion

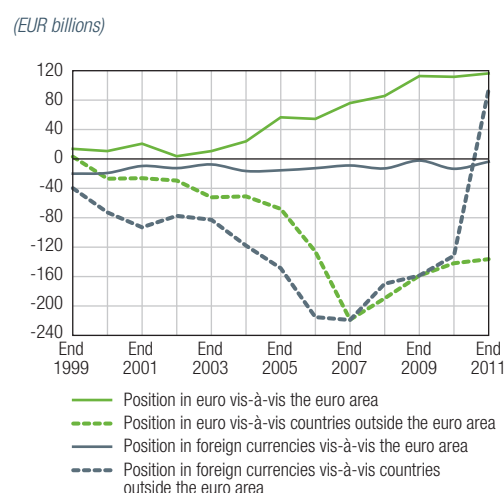
in 2010. This was the result of variations in positions in foreign currencies stemming from a marked reduction in borrowing (-163 billion) and growth of loans (+63 billion). Once again, these variations mainly concerned the dollar (Table STAT_4.14 in Appendix I).

The geographical structure shows net assets of 113 billion vis-à-vis the euro area (Chart C3-7). The position outside the euro area shows that assets and liabilities vis-à-vis the United Kingdom are particularly large, with another negative position of 110 billion in 2011. The net liabilities of 131 billion vis-à-vis the United States in 2010 turned into net assets of 31 billion in 2011, as loans increased by 67 billion and deposits shrank by 95 billion, particularly for the branches and subsidiaries of French banks (Table STAT_4.15 in Appendix I).

Table STAT_4.16 in Appendix I gives an overview of the Banque de France's international investment position (excluding banknotes and coins).⁴

At the end of 2011, the Banque de France's net assets vis-à-vis non-residents stood at 101 billion, which was more than in 2009 (72 billion) but less than in 2010 (148 billion). The loan-deposit flows generated a further increase in institutional customers' deposits, which reached 146 billion. The balance on transactions with the ESCB was negative again in 2011. In addition to loans and deposits, the international investment position records investments in securities made on behalf of

C3-7 Net loan-deposit position of MFIs



⁴ The institutional sector approach ("monetary authority") is preferred in this case, in line with Table STAT_4.16. This discussion of the Banque de France refers to "loan-deposit" transactions and other items in the central bank's international investment position (portfolio investment and reserve assets).

institutional customers and reserve assets. Both these items posted further increases in 2011, to stand at 145 billion and 133 billion, respectively.

Given its claim on the Eurosystem for banknotes and coin, the Banque de France's position vis-à-vis the

Eurosystem showed net assets once again in 2011, at 33 billion, compared to net assets of 57 billion in 2010.⁵

4 | RESERVES ASSETS

Gross reserve assets increased by 9 billion to stand at 133 billion at the end of 2011 (Table T3-6). Net foreign exchange reserves increased from 128.6 billion to 146.6 billion.

⁵ This information is taken from the Banque de France's 2011 financial statements, available at: http://www.banque-france.fr/fileadmin/user_upload/banque_de_france/publications/comptes-annuels-2011.pdf

T3-6 Reserve assets

(EUR billions)

	Stocks at end of year ^{a)}			Variation 2011 ^{b)}	Decomposition of the variation in 2011	
	2009	2010	2011		Flows ^{b), c)}	Impact of month revaluations and other adjustments
Gold	60.0	82.6	95.3	12.7	0.0	12.7
SDRs	10.6	11.3	11.3	0.0	-0.2	0.2
Reserve position in the IMF	2.6	3.5	6.3	2.8	2.8	0.0
Official foreign exchange assets	19.2	27.1	20.2	-6.9	-8.1	1.2
Gross reserve assets	92.4	124.5	133.1	8.6	-5.5	14.1
Assets in foreign currencies vis-à-vis euro area residents	18.5	16.4	47.5	31.1	29.4	1.7
Official foreign exchange reserves ^{d)}	110.9	140.9	180.6	39.7	23.9	15.8
Liabilities ^{e)}	-9.8	-12.3	-34.0	-21.7	-21.6	-0.1
Net foreign exchange reserves ^{f)}	101.1	128.6	146.6	18.0	2.3	15.7
Price of a kg of gold in the reserves in euros	24,638.61	34,502.13	39,779.77			
USD/EUR rate	1.4406	1.3362	1.2939			
SDR/EUR rate	0.91893	0.86232	0.84279			

a) Stocks with no sign are assets. Stocks with (-) sign are liabilities.

b) Variations and flows: no sign means an increase in assets or a decrease in liabilities; (-) sign means a decrease in assets or an increase in liabilities.

c) Flows are calculated at the exchange rate used for the balance of payments, which is the average monthly rate, and expressed in the opposite direction to that recorded in the balance of payments.

d) Concept including foreign currency assets vis-à-vis residents of the euro area in the joint press release from the Ministry of the Economy, Industry and Employment and the Banque de France.

e) Temporary outflows of financial assets in foreign currencies. These have included liabilities in dollars linked to swaps that the ECB entered into in December 2011 in concert with the Federal Reserve System.

f) Special Data Dissemination Standard (SDDS) concept: publication of the joint press release from the Ministry of the Economy, Finance and Employment and the Banque de France since 30 June 1999.

Box 4

Revisions of international investment position data

Several items in France's international investment position at the end of 2009 and 2010 have been revised in this Annual Report (Table below).

The revisions to direct investment positions at book value at the end of 2009 adjust for new information received about investments that had not been detected previously and to corrections made to the data provided by reporting companies. The impact on the net international investment position is limited. The revisions made to stocks of direct investment at the end of 2010 follow the usual pattern. When the 2010 Annual Report was being drafted in May 2011, the data for the end of 2010 were estimated based on stocks at the end of 2009 combined with flows in 2010. They are now taken from the annual financial statements of resident direct investment companies or specific annual surveys of resident companies regarding their assets and liabilities vis-à-vis non-residents.

Revisions of 2009 and 2010 international investment position data
Principle components of the international investment position

(EUR billions)

	2009			2010		
	2010 Annual Report	2011 Annual Report	Difference	2010 Annual Report	2011 Annual Report	Difference
Direct investment						
At book value	351.2	352.1	0.9	422.6	439.8	17.2
At market value	401.2	377.9	-23.3	385.2	399.8	14.6
Outward						
At book value	1,041.9	1,036.0	-6.0	1,144.8	1,149.6	4.8
At market value	1,153.4	1,099.1	-54.3	1,139.8	1,182.3	42.5
Inward						
At book value	-690.7	-683.9	6.8	-722.2	-709.8	12.4
At market value	-752.2	-721.2	31.0	-754.7	-782.5	-27.9
Portfolio investment	-259.0	-249.9	9.2	-350.4	-341.5	8.9
Foreign securities	2,056.3	2,049.9	-6.4	2,099.7	2,090.4	-9.3
Equity securities and mutual fund shares/units	449.2	448.4	-0.8	510.5	508.7	-1.8
Bonds and notes	1,360.8	1,362.9	2.1	1,371.6	1,357.5	-14.1
Short-term debt securities	246.3	238.5	-7.8	217.6	224.1	6.5
Domestic securities	-2,315.3	-2,299.7	15.6	-2,450.1	-2,431.8	18.3
Equity securities and mutual fund shares/units	-591.8	-573.2	18.6	-591.3	-570.5	20.9
Bonds and notes	-1,475.3	-1,477.3	-2.1	-1,611.3	-1,614.9	-3.6
Short-term debt securities	-248.2	-249.2	-1.0	-247.5	-246.5	1.0
Financial derivatives	-38.4	-38.4	0.0	-72.7	-38.0	34.7
Other investment (excluding reserve assets)	-358.0	-359.1	-1.2	-279.1	-296.7	-17.6
Trade credits and payments on account	-6.7	-6.5	0.1	-11.1	-16.0	-4.9
Banque de France loan/deposit position	-139.1	-139.1	0.0	-99.5	-99.5	0.0
General government loan/deposit position	7.9	5.8	-2.1	12.9	10.7	-2.1
MFIs' loan/deposit position	-206.9	-208.1	-1.2	-175.4	-175.4	0.0
Loan/deposit position of other sectors ^{a)}	-13.2	-11.2	1.9	-6.0	-16.6	-10.6
Reserve assets	92.4	92.4	0.0	124.5	124.5	0.0
Balance						
With direct investment at book value	-211.7	-202.8	8.9	-155.1	-111.9	43.2
With direct investment at market value	-161.7	-177.0	-15.3	-192.5	-151.9	40.6

a) Non-financial corporations, insurance companies, investment firms, mutual funds other than money market funds and households.

.../...

Revisions to direct investment positions at market value are due in part to corrections made to the positions at book value, since the market value is calculated on the basis of the book value data. The revisions are also due to adjustments to the reference populations used to determine capitalisation ratios.

Revisions to portfolio investment data stem in part from the collection of supplementary data and from methodological improvements. The revisions result in smaller net liabilities than published previously. The main corrections to the 2009 data concern holdings of short-term debt securities, liabilities in equities, some of which were only identified as direct investments after the previous Annual Report was compiled. Reclassifications of assets were also made between the bonds and short-term debt securities items in 2010.

The loan-deposit position was also revised by 10.6 billion under the other sectors item in 2010 to account for the collection of supplementary annual data that were not available when the previous Annual Report was published.

The revision of the position in financial derivatives stems from the collection of more data from financial intermediaries (Appendix II-D).



**2010 AND 2011 BALANCE OF PAYMENTS
DETAILED PRESENTATION**

Balance of payments- 2010

(EUR millions)

		Credit	Debit	Balance
1.	CURRENT ACCOUNT	718,962	749,134	-30,173
1.1.	Goods	392,013	444,907	-52,897
1.1.1.	General merchandise	378,278	432,369	-54,092
	<i>Customs data</i>	394,619	446,463	-51,843
	<i>Adjustments</i>	-16,344	-14,095	-2,248
1.1.2.	Goods procured in ports by carriers	1,774	3,792	-2,020
1.1.3.	Goods for processing and repairs on goods	11,960	8,745	3,215
1.2.	Services	145,088	129,226	15,865
1.2.1.	Transportation	31,725	34,891	-3,165
1.2.1.1.	<i>Sea transport</i>	10,806	11,196	-391
1.2.1.2.	<i>Air transport</i>	11,871	12,743	-872
1.2.1.3.	<i>Other transport</i>	9,045	10,949	-1,901
1.2.2.	Travel	35,389	29,449	5,940
1.2.3.	Communication services	4,247	3,439	809
1.2.4.	Construction services	6,849	4,780	2,068
1.2.5.	Insurance services	2,774	2,320	455
1.2.6.	Financial services	2,509	1,801	705
1.2.7.	Computer and information services	2,669	3,095	-427
1.2.8.	Royalties and license fees	9,914	7,052	2,864
1.2.9.	Other business services	45,588	39,254	6,336
1.2.9.1.	<i>Merchandising</i>	9,744	-	9,744
1.2.9.2.	<i>Other trade-related services</i>	3,785	5,808	-2,026
1.2.9.3.	<i>Operational leasing services</i>	873	2,397	-1,528
1.2.9.4.	<i>Miscellaneous business services</i>	31,188	31,045	144
1.2.10.	Personal, cultural and recreational services	2,674	2,584	90
1.2.10.1.	<i>Audio-visual and related services</i>	1,223	1,446	-220
1.2.10.2.	<i>Other personal services</i>	1,449	1,140	310
1.2.11.	Government services	751	560	190
1.3.	Income	161,155	120,502	40,652
1.3.1.	Compensation of employees	11,844	952	10,893
1.3.2.	Investment income	149,312	119,550	29,759
1.3.2.1.	<i>Direct investment</i>	58,106	21,042	37,076
1.3.2.2.	<i>Portfolio investment</i>	76,254	81,306	-5,053
1.3.2.3.	<i>Other investment</i>	14,949	17,204	-2,256
1.4.	Current transfers	20,704	54,499	-33,792
1.4.1.	General government	12,344	30,731	-18,388
1.4.2.	Other sectors	8,363	23,767	-15,406
1.4.2.1.	<i>Workers' remittances</i>	756	9,813	-9,058
1.4.2.2.	<i>Other transfers</i>	7,604	13,954	-6,349
2.	CAPITAL ACCOUNT	984	974	12
2.1.	Capital transfers	961	950	12
2.2.	Purchases of non-financial assets (patents)	23	24	0
3.	FINANCIAL ACCOUNT	-	-	27,499
3.1.	Direct investment	-	-	-34,916
3.1.1.	Outward	-	-	-58,043
3.1.1.1.	<i>Equity capital</i>	32,484	58,553	-26,066
3.1.1.2.	<i>Reinvested earnings</i>	-	-	-19,344
3.1.1.3.	<i>Other capital</i>	-	-	-12,628
3.1.1.4.	<i>Other capital (extended directional principle)</i>	-	-	-4,721
3.1.2.	Inward	-	-	23,129
3.1.2.1.	<i>Equity capital</i>	29,378	17,748	11,633
3.1.2.2.	<i>Reinvested earnings</i>	-	-	5,088
3.1.2.3.	<i>Other capital</i>	-	-	6,412
3.1.2.4.	<i>Other capital (extended directional principle)</i>	-	-	-1,495

Balance of payments – 2010 (continued)

(EUR millions)

	Balance
3.2. Portfolio investment	123,179
3.2.1. Assets (residents' transactions in securities issued by non-residents)	26,240
3.2.1.1. Equity securities and mutual fund shares/units	-15,851
Banque de France	18
General government	2,178
Monetary financial institutions	-10,598
Other sectors	-7,451
3.2.1.2. Bonds and notes	16,175
Banque de France	-5,525
General government	-2,406
Monetary financial institutions	92,699
Other sectors	-68,594
3.2.1.3. Short-term debt securities	25,916
Banque de France	8,142
General government	75
Monetary financial institutions	20,102
Other sectors	-2,409
3.2.2. Liabilities (non-residents' transactions in securities issued by residents)	96,939
3.2.2.1. Equity securities and mutual fund shares/units	-3,784
Monetary financial institutions	-11,208
Other sectors	7,424
3.2.2.2. Bonds and notes	99,064
General government	51,811
Monetary financial institutions	42,820
Other sectors	4,433
3.2.2.3. Short-term debt securities	1,659
General government	-3,960
Monetary financial institutions	7,288
Other sectors	-1,668
3.3. Financial derivatives	34,298
Banque de France	-
General government	-
Monetary financial institutions	34,298
Other sectors	-
3.4. Other investment	-89,267
3.4.1. Assets	-124,655
3.4.1.1. Trade credits	-2,543
3.4.1.2. Loans	-121,875
Banque de France	-10,650
General government	-3,742
Monetary financial institutions	-103,772
Other sectors	-3,711
3.4.1.3. Other assets	-237
General government	0
3.4.2. Liabilities	35,387
3.4.2.1. Trade credits	5,997
3.4.2.2. Loans	29,391
Banque de France	-31,449
General government	264
Monetary financial institutions	57,197
Other sectors	3,381
3.4.2.3. Other liabilities	0
3.5. Reserve assets	-5,793
Gold	0
Special Drawing Rights	275
Reserve position in the IMF	-1,079
Foreign currencies	-4,991
Claims on the ECB	0
4. NET ERRORS AND OMISSIONS	2,661

Note: Rounding differences mean that aggregate totals and balances may not be exactly equal to the sum of their components.

Balance of payments - 2011

(EUR millions)


		Credit	Debit	Balance
1.	CURRENT ACCOUNT	778,917	817,851	-38,933
1.1.	Goods	424,038	497,524	-73,487
1.1.1.	General merchandise	411,338	484,926	-73,588
	<i>Customs data</i>	427,753	497,855	-70,102
	<i>Adjustments</i>	-16,415	-12,929	-3,487
1.1.2.	Goods procured in ports by carriers	2,302	5,137	-2,835
1.1.3.	Goods for processing and repairs on goods	10,397	7,460	2,937
1.2.	Services	161,467	137,241	24,225
1.2.1.	Transportation	32,632	37,962	-5,330
1.2.1.1.	<i>Sea transport</i>	10,809	12,341	-1,532
1.2.1.2.	<i>Air transport</i>	12,313	13,747	-1,436
1.2.1.3.	<i>Other transport</i>	9,508	11,873	-2,363
1.2.2.	Travel	39,161	31,681	7,475
1.2.3.	Communication services	4,588	3,264	1,323
1.2.4.	Construction services	6,848	4,643	2,202
1.2.5.	Insurance services	3,832	2,187	1,643
1.2.6.	Financial services	4,693	2,640	2,053
1.2.7.	Computer and information services	3,014	3,743	-727
1.2.8.	Royalties and license fees	11,297	7,151	4,146
1.2.9.	Other business services	51,664	40,801	10,865
1.2.9.1.	<i>Merchandising</i>	13,161	-	13,161
1.2.9.2.	<i>Other trade-related services</i>	3,591	5,559	-1,966
1.2.9.3.	<i>Operational leasing services</i>	964	2,463	-1,498
1.2.9.4.	<i>Miscellaneous business services</i>	33,949	32,780	1,168
1.2.10.	Personal, cultural and recreational services	2,975	2,635	340
1.2.10.1.	<i>Audio-visual and related services</i>	1,343	1,384	-43
1.2.10.2.	<i>Other personal services</i>	1,633	1,252	381
1.2.11.	Government services	765	533	234
1.3.	Income	171,394	124,472	46,923
1.3.1.	Compensation of employees	13,184	828	12,357
1.3.2.	Investment income	158,210	123,647	34,565
1.3.2.1.	<i>Direct investment</i>	57,438	17,712	39,726
1.3.2.2.	<i>Portfolio investment</i>	88,844	88,658	-5,816
1.3.2.3.	<i>Other investment</i>	17,930	17,277	654
1.4.	Current transfers	22,017	58,612	-36,595
1.4.1.	General government	12,125	31,427	-19,301
1.4.2.	Other sectors	9,893	27,187	-17,292
1.4.2.1.	<i>Workers' remittances</i>	693	9,661	-8,969
1.4.2.2.	<i>Other transfers</i>	9,201	17,527	-8,327
2.	CAPITAL ACCOUNT	1,354	1,446	-92
2.1.	Capital transfers	1,348	1,433	-83
2.2.	Purchases of non-financial assets (patents)	3	12	-8
3.	FINANCIAL ACCOUNT	-	-	58,149
3.1.	Direct investment	-	-	-35,393
3.1.1.	Outward	-	-	-64,847
3.1.1.1.	<i>Equity capital</i>	41,782	62,886	-21,104
3.1.1.2.	<i>Reinvested earnings</i>	-	-	-27,168
3.1.1.3.	<i>Other capital</i>	-	-	-16,575
3.1.1.4.	<i>Other capital (extended directional principle)</i>	-	-	-13,586
3.1.2.	Inward	-	-	29,454
3.1.2.1.	<i>Equity capital</i>	38,190	26,096	12,094
3.1.2.2.	<i>Reinvested earnings</i>	-	-	7,020
3.1.2.3.	<i>Other capital</i>	-	-	10,340
3.1.2.4.	<i>Other capital (extended directional principle)</i>	-	-	7,353

Balance of payments – 2011 (continued)

(EUR millions)

	Balance
3.2. Portfolio investment	251,572
3.2.1. Assets (residents' transactions in securities issued by non-residents)	177,508
3.2.1.1. Equity securities and mutual fund shares/units	54,008
<i>Banque de France</i>	-3
<i>General government</i>	2,562
<i>Monetary financial institutions</i>	29,286
<i>Other sectors</i>	22,160
3.2.1.2. Bonds and notes	80,776
<i>Banque de France</i>	-21,474
<i>General government</i>	144
<i>Monetary financial institutions</i>	45,231
<i>Other sectors</i>	56,872
3.2.1.3. Short-term debt securities	42,727
<i>Banque de France</i>	-1,098
<i>General government</i>	2,040
<i>Monetary financial institutions</i>	39,451
<i>Other sectors</i>	2,330
3.2.2. Liabilities (non-residents' transactions in securities issued by residents)	74,065
3.2.2.1. Equity securities and mutual fund shares/units	2,526
<i>Monetary financial institutions</i>	14
<i>Other sectors</i>	2,512
3.2.2.2. Bonds and notes	95,988
<i>General government</i>	49,044
<i>Monetary financial institutions</i>	32,643
<i>Other sectors</i>	14,298
3.2.2.3. Short-term debt securities	-24,447
<i>General government</i>	-4,577
<i>Monetary financial institutions</i>	-22,204
<i>Other sectors</i>	2,334
3.3. Financial derivatives	13,769
<i>Banque de France</i>	-
<i>General government</i>	-
<i>Monetary financial institutions</i>	13,769
<i>Other sectors</i>	-
3.4. Other investment	-177,318
3.4.1. Assets	-80,838
3.4.1.1. Trade credits	2,394
3.4.1.2. Loans	-82,613
<i>Banque de France</i>	11,607
<i>General government</i>	-9,760
<i>Monetary financial institutions</i>	-56,903
<i>Other sectors</i>	-27,558
3.4.1.3. Other assets	-621
<i>General government</i>	-384
3.4.2. Liabilities	-96,479
3.4.2.1. Trade credits	2,940
3.4.2.2. Loans	-99,742
<i>Banque de France</i>	66,270
<i>General government</i>	3,831
<i>Monetary financial institutions</i>	-173,251
<i>Other sectors</i>	3,406
3.4.2.3. Other liabilities	320
3.5. Reserve assets	5,521
Gold	0
Special Drawing Rights	225
Reserve position in the IMF	-2,810
Foreign currencies	8,103
Claims on the ECB	0
4. NET ERRORS AND OMISSIONS	-19,125

Note: Rounding differences mean that aggregate totals and balances may not be exactly equal to the sum of their components.



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STATISTICAL TABLES

SUPPLEMENTARY STATISTICAL TABLES

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SERIES 1 CURRENT ACCOUNT

STAT_1.1 Geographical structure of trade in travel services

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
European Union (27 members)	25.7	14.5	11.2	25.2	15.5	9.7	27.6	17.2	10.4
Economic and Monetary Union (17 members)	19.9	12.3	7.6	19.5	13.0	6.5	21.7	14.4	7.3
of which: Germany	5.1	1.6	3.5	5.3	1.1	4.2	6.2	1.3	4.9
Austria	0.3	0.2	0.1	0.3	0.4	-0.1	0.3	0.4	-0.1
Belgium	4.7	1.2	3.5	4.6	1.5	3.1	5.3	1.6	3.7
Spain	1.9	3.8	-1.9	1.9	4.1	-2.2	2.3	4.7	-2.4
Greece	0.2	0.9	-0.7	0.1	0.9	-0.8	0.1	1.1	-1.0
Ireland	0.3	0.2	0.1	0.2	0.3	-0.1	0.2	0.4	-0.2
Italy	3.3	2.5	0.8	2.8	2.7	0.1	3.0	2.9	0.1
Luxembourg	0.5	0.9	-0.4	0.5	0.9	-0.4	0.5	1.0	-0.5
Netherlands	3.1	0.3	2.8	3.2	0.3	2.9	3.1	0.3	2.8
Portugal	0.4	0.5	-0.1	0.4	0.6	-0.2	0.4	0.7	-0.3
Other European Union countries	5.9	2.2	3.7	5.7	2.5	3.2	5.9	2.8	3.1
of which: Denmark	0.3	0.0	0.3	0.3	0.1	0.2	0.3	0.1	0.2
Romania	0.2	0.0	0.2	0.2	0.1	0.1	0.2	0.0	0.2
United Kingdom	4.8	1.7	3.1	4.7	2.0	2.7	4.6	2.1	2.5
Sweden	0.2	0.1	0.1	0.3	0.0	0.3	0.3	0.1	0.2
Other industrialised countries (8)	6.1	3.7	2.4	6.3	4.1	2.2	6.7	4.2	2.5
of which: Australia	0.6	0.2	0.4	0.7	0.2	0.5	0.6	0.2	0.4
Canada	0.5	0.4	0.1	0.6	0.5	0.1	0.6	0.5	0.1
United States	1.7	1.1	0.6	1.8	1.3	0.5	1.9	1.5	0.4
Japan	0.3	0.2	0.1	0.3	0.1	0.2	0.3	0.1	0.2
Norway	0.3	0.1	0.2	0.2	0.1	0.1	0.2	0.2	0.0
Switzerland	2.7	1.7	1.0	2.6	1.7	0.9	2.9	1.8	1.1
Rest of world	3.6	9.4	-5.8	3.9	9.8	-5.9	4.9	10.3	-5.4
of which: Algeria	0.3	0.1	0.2	0.3	0.1	0.2	0.3	0.1	0.2
Brazil	0.4	0.1	0.3	0.4	0.1	0.3	0.7	0.1	0.6
China	0.3	0.3	0.0	0.4	0.3	0.1	0.5	0.3	0.2
Croatia	0.0	0.2	-0.2	0.0	0.2	-0.2	0.0	0.3	-0.3
Egypt	0.0	0.7	-0.7	0.1	0.8	-0.7	0.1	0.3	-0.2
India	0.1	0.2	-0.1	0.1	0.3	-0.2	0.1	0.3	-0.2
Morocco	0.3	0.7	-0.4	0.3	0.8	-0.5	0.4	0.9	-0.5
Mexico	0.2	0.2	0.0	0.1	0.1	0.0	0.2	0.2	0.0
Dominican Republic	0.0	0.3	-0.3	0.0	0.3	-0.3	0.0	0.4	-0.4
Russia	0.1	0.2	-0.1	0.3	0.2	0.1	0.3	0.2	0.1
Thailand	0.0	0.2	-0.2	0.1	0.2	-0.1	0.0	0.2	-0.2
Tunisia	0.1	1.2	-1.1	0.2	1.3	-1.1	0.2	0.8	-0.6
Turkey	0.1	0.5	-0.4	0.1	0.6	-0.5	0.1	0.9	-0.8
Vietnam	0.0	0.3	-0.3	0.0	0.3	-0.3	0.0	0.3	-0.3
Total	35.5	27.5	8.0	35.4	29.4	5.9	39.2	31.7	7.5

Note: See "Definition of geographical areas" in Appendix II-C.

STAT_1.2 Geographical structure of trade in services excluding transportation, travel and merchanting

(EUR billions)

	2009			2010			2011		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
European Union (27 members)	30.1	37.0	-6.9	35.7	42.0	-6.3	39.9	43.3	-3.4
Economic and Monetary Union (17 members)	20.5	25.6	-5.1	25.2	30.0	-4.8	28.7	31.0	-2.3
of which: Germany	5.2	9.5	-4.3	7.1	11.8	-4.7	8.4	12.5	-4.1
Austria	0.2	0.3	-0.1	0.2	0.4	-0.2	0.2	0.4	-0.2
Belgium	2.7	3.1	-0.4	3.9	4.2	-0.3	4.4	4.5	-0.1
Spain	2.8	2.0	0.8	2.6	2.1	0.5	2.9	2.2	0.7
Finland	0.1	0.2	-0.1	0.2	0.3	-0.1	0.2	0.2	0.0
Greece	0.1	0.2	-0.1	0.2	0.1	0.1	0.2	0.1	0.1
Ireland	1.2	2.1	-0.9	1.5	2.0	-0.5	1.5	1.9	-0.4
Italy	2.6	2.8	-0.2	2.7	2.6	0.1	3.0	2.8	0.2
Luxembourg	2.0	1.0	1.0	2.5	2.0	0.5	3.1	1.7	1.4
Netherlands	2.8	3.7	-0.9	3.7	3.3	0.4	4.2	3.6	0.6
Portugal	0.5	0.5	0.0	0.4	0.9	-0.5	0.6	0.9	-0.3
Other European Union countries	9.6	11.3	-1.7	10.5	12.0	-1.5	11.3	12.2	-0.9
of which: Denmark	0.2	0.3	-0.1	0.2	0.3	-0.1	0.2	0.3	-0.1
Hungary	0.2	0.1	0.1	0.1	0.2	-0.1	0.1	0.2	-0.1
Poland	0.6	0.6	0.0	0.5	0.8	-0.3	0.5	0.9	-0.4
Czech Republic	0.3	0.2	0.1	0.2	0.2	0.0	0.3	0.2	0.1
Romania	0.2	0.3	-0.1	0.2	0.3	-0.1	0.2	0.3	-0.1
United Kingdom	6.9	7.8	-0.9	7.8	8.0	-0.2	8.3	8.3	0.0
Sweden	0.8	1.9	-1.1	0.8	2.0	-1.2	0.9	1.9	-1.0
Other industrialised countries (8)	16.7	15.3	1.4	15.5	13.4	2.1	18.0	13.7	4.3
of which: Australia	0.3	0.2	0.1	0.3	0.2	0.1	0.5	0.2	0.3
Canada	0.7	0.7	0.0	0.6	0.8	-0.2	0.6	0.8	-0.2
United States	9.3	9.2	0.1	8.8	7.9	0.9	10.3	8.3	2.0
Japan	0.8	0.9	-0.1	0.9	1.0	-0.1	1.1	0.8	0.3
Norway	0.6	0.3	0.3	0.3	0.2	0.1	0.3	0.3	0.0
Switzerland	5.1	3.9	1.2	4.7	3.3	1.4	5.2	3.2	2.0
Rest of world	18.1	10.1	8.0	17.1	9.5	7.6	18.6	10.6	8.0
of which: South Africa	0.6	0.2	0.4	0.4	0.2	0.2	0.4	0.1	0.3
Algeria	1.3	0.3	1.0	0.9	0.2	0.7	0.9	0.2	0.7
Angola	0.9	0.1	0.8	0.7	0.1	0.6	0.5	0.0	0.5
Saudi Arabia	1.4	0.4	1.0	1.6	0.1	1.5	1.8	0.2	1.6
Bahrain	0.3	0.0	0.3	0.1	0.0	0.1	0.1	0.0	0.1
Brazil	0.7	0.2	0.5	0.9	0.3	0.6	0.7	0.3	0.4
China	1.3	0.7	0.6	1.0	0.8	0.2	1.1	0.8	0.3
South Korea	0.4	0.3	0.1	0.8	0.3	0.5	1.1	0.4	0.7
Egypt	0.2	0.3	-0.1	0.1	0.2	-0.1	0.1	0.2	-0.1
United Arab Emirates	0.8	1.0	-0.2	0.6	0.5	0.1	0.6	0.4	0.2
Hong Kong	0.3	0.5	-0.2	0.3	0.3	0.0	0.4	0.4	0.0
India	0.3	0.5	-0.2	0.2	0.5	-0.3	0.3	0.7	-0.4
Morocco	0.6	0.5	0.1	0.5	0.5	0.0	0.5	0.5	0.0
Mexico	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.2	-0.1
Nigeria	0.5	0.1	0.4	0.6	0.1	0.5	1.1	0.1	1.0
Qatar	0.4	0.1	0.3	0.3	0.1	0.2	0.4	0.1	0.3
Russia	0.4	0.5	-0.1	0.6	0.5	0.1	0.8	0.5	0.3
Singapore	0.5	0.3	0.2	0.7	0.4	0.3	0.9	0.5	0.4
Tunisia	0.5	0.3	0.2	0.2	0.3	-0.1	0.1	0.3	-0.2
Turkey	0.2	0.1	0.1	0.2	0.2	0.0	0.2	0.2	0.0
Total	64.9	62.4	2.5	68.2	64.9	3.3	76.5	67.6	8.9

Note: See "Definition of geographical areas" in Appendix II-C.

STAT_1.3 Geographical structure of income on outward direct investment (receipts) and income on inward direct investment (payments), based on the country of residence of the first counterparty

(EUR billions)

	Receipts					Payments				
	2008	2009	2010	2011 ^{a)}	2011 (%)	2008	2009	2010	2011 ^{a)}	2011 (%)
European Union (27 members)	21.0	21.6	30.6	29.4	51.1	11.9	11.9	15.1	11.3	63.9
Economic and Monetary Union (17 members)	17.4	16.7	22.2	21.8	38.0	10.1	9.1	11.6	8.4	47.2
of which: Germany	2.8	3.3	4.2	3.7	6.4	1.6	1.1	2.0	2.3	12.9
Belgium	5.1	3.4	5.5	5.9	10.3	-1.6	2.1	-1.5	-0.7	-4.1
Spain	2.8	1.7	2.5	2.7	4.7	0.9	0.4	1.0	1.0	5.9
Greece	-0.3	-0.5	-1.1	-1.7	-3.0	0.0	0.0	0.0	0.0	0.0
Ireland	-1.4	1.0	0.5	0.7	1.2	0.3	0.0	0.1	0.1	0.8
Italy	1.3	1.3	0.8	0.6	1.1	0.3	0.4	0.5	0.6	3.6
Luxembourg	1.1	0.9	1.3	0.6	1.1	2.8	1.3	1.6	-0.8	-4.7
Netherlands	5.3	4.9	8.0	8.8	15.3	5.3	3.5	6.4	5.9	33.0
Other European Union countries	3.6	4.9	8.4	7.5	13.1	1.8	2.9	3.6	3.0	16.7
of which: Poland	0.7	1.2	0.8	0.5	0.9	0.0	0.0	0.0	0.0	0.0
Czech Republic	0.6	0.5	0.8	0.9	1.5	0.0	0.0	0.0	0.0	0.0
Romania	0.4	0.4	0.3	0.3	0.5	0.0	0.0	0.0	0.0	0.0
United Kingdom	1.1	2.4	5.9	5.6	9.7	1.3	2.5	3.2	2.6	14.9
Sweden	0.6	0.2	0.2	0.3	0.4	0.3	0.3	0.2	0.2	0.9
Other industrialised countries (8)	8.8	10.8	13.4	10.3	17.9	5.0	4.1	4.7	4.9	27.6
of which: Canada	0.4	0.5	1.0	1.1	1.9	0.0	0.0	-0.4	-0.6	-3.4
United States	4.3	5.5	6.8	4.9	8.6	3.2	2.5	3.1	3.8	21.2
Japan	0.4	1.2	0.2	-0.1	-0.2	0.3	0.2	0.3	0.3	1.7
Norway	1.4	1.0	1.7	2.0	3.5	0.1	0.0	0.0	0.0	0.0
Switzerland	2.3	2.2	3.1	1.9	3.3	1.5	1.4	1.8	1.5	8.4
Rest of world	13.4	9.3	14.2	17.8	30.9	0.3	-0.9	1.2	1.5	8.5
of which: Brazil	1.2	1.6	2.3	2.4	4.1	0.0	0.0	0.0	0.0	0.0
China	0.5	0.7	0.7	1.0	1.7	0.0	0.0	0.0	0.0	0.0
India	0.2	0.2	0.3	0.4	0.6	0.0	0.0	0.0	0.0	0.0
Indonesia	1.0	0.5	0.8	1.4	2.4	0.0	0.0	0.1	0.1	0.8
Morocco	0.7	0.8	0.7	0.5	1.0	0.0	0.0	0.0	0.0	0.0
Russia	0.5	-0.1	0.5	0.6	1.1	0.0	0.0	0.0	0.0	0.0
Singapore	0.7	0.5	0.6	0.6	1.0	0.0	0.0	0.0	0.0	0.0
Turkey	0.3	0.2	0.3	0.1	0.2	0.0	0.0	0.0	0.0	0.0
Total	43.1	41.8	58.1	57.4	100.0	17.1	15.1	21.1	17.7	100.0

Note: See "Definition of geographical areas" in Appendix II-C.

a) Income on direct investment includes dividends and reinvested earnings. Income is estimated for 2011.

SERIES 2 DIRECT INVESTMENT FLOWS

STAT_2.1 Outward direct investment flows according to the extended directional principle ^{a)} by transaction type

(EUR billions)

Year	Net balance of outward and inward direct investment	Direct investment abroad	Real-estate investment	Equity capital excluding real-estate investment	of which mergers and acquisitions ^{b)}	Reinvested earnings	Other capital ^{c)}
1999	-75.4	-99.1	-0.3	-82.1	-58.2	-11.6	-5.1
2000	-145.7	-181.7	-0.7	-150.4	-116.0	-7.8	-22.8
2001	-40.6	-65.9	-1.6	-59.3	-41.2	-0.4	-4.6
2002	-1.5	-32.3	-1.3	-40.1	-14.8	9.5	-0.4
2003	-9.4	-17.1	-1.0	-10.8	-5.3	-1.7	-3.6
2004	-19.5	-24.3	-1.3	-24.4	-6.4	-10.5	11.9
2005	-24.2	-60.0	-2.2	-25.4	-24.9	-21.7	-10.7
2006	-31.0	-51.3	-2.9	-55.4	-45.4	-25.1	32.1
2007	-49.8	-82.2	-3.3	-53.3	-51.7	-25.4	-0.2
2008	-62.0	-78.3	-1.3	-57.6	-35.8	-7.7	-11.6
2009	-59.7	-63.9	-2.1	-36.3	-22.8	-11.7	-13.9
2010	-34.9	-50.1	-2.9	-23.1	-8.9	-19.3	-4.7
2011	-35.4	-61.9	-2.2	-18.9	-7.0	-27.2	-13.6

Note: Rounding differences mean that an aggregate may not be exactly equal to the sum of its components.

a) All of the direct investment flow data presented in this table and the following tables are given a sign in accordance with the balance of payments convention: a negative sign corresponds to capital outflows and a positive sign corresponds to inflows. In other words, an outward direct investment has a negative sign whereas a disposal of an outward direct investment has a positive sign. Conversely, an inward direct investment has a positive sign, whereas a disposal of an inward direct investment has a negative sign.

b) Mergers and acquisitions resulting in an equity capital transaction exceeding 150 million euros are recorded in the balance of payments.

c) After restating intercompany lending according to the extended directional principle.

STAT_2.2 Inward direct investment flows according to the extended directional principle by transaction type

(EUR billions)

Year	Net balance of outward and inward direct investment	Direct investment in France	Real-estate investment	Equity capital excluding real-estate investment	of which mergers and acquisitions ^{a)}	Reinvested earnings	Other capital ^{b)}
1999	-75.4	23.7	1.9	16.3	12.6	1.8	3.7
2000	-145.7	36.0	3.6	26.3	18.8	2.6	3.5
2001	-40.6	25.4	5.0	18.1	13.3	-2.8	5.1
2002	-1.5	30.8	6.9	29.1	19.1	-4.8	-0.4
2003	-9.4	7.7	9.1	6.0	5.1	-2.0	-5.5
2004	-19.5	4.7	5.9	-1.7	-5.7	4.8	-4.3
2005	-24.2	35.8	6.6	11.8	5.7	14.2	3.2
2006	-31.0	20.3	8.9	12.9	3.1	9.5	-10.9
2007	-49.8	32.4	11.0	11.0	5.0	10.7	-0.3
2008	-62.0	16.3	4.3	10.7	8.1	1.8	-0.6
2009	-59.7	4.2	4.3	10.2	6.5	-2.3	-7.9
2010	-34.9	15.2	6.4	5.3	-0.2	5.1	-1.5
2011	-35.4	26.5	6.5	5.6	3.4	7.0	7.4

Note: Rounding differences mean that an aggregate may not be exactly equal to the sum of its components.

a) Mergers and acquisitions resulting in an equity capital transaction exceeding 150 million euros are recorded in the balance of payments.

b) After restating intercompany lending according to the extended directional principle.

STAT_2.3 Geographical structure of outward direct investment flows
by country of residence of the first counterparty ^{a)}

(EUR billions)

	2008	2009	2010	2011	2011 (%)
European Union (27 members)	-40.7	-47.5	-28.4	-35.6	57.5
Economic and Monetary Union (17 members)	-53.8	-37.0	-24.0	-22.0	35.6
of which: Germany	0.7	-1.6	-2.1	-0.7	1.1
Belgium	-46.6	-22.9	-12.8	-8.6	13.9
Spain	1.1	-0.4	-1.5	1.3	-2.1
Ireland	0.0	1.3	-1.2	-0.7	1.2
Italy	-3.6	0.0	0.3	-11.9	19.2
Luxembourg	0.5	-10.1	-1.5	1.5	-2.4
Netherlands	-4.1	-0.7	-4.9	-2.5	4.0
Other European Union countries	13.2	-10.6	-4.4	-13.6	21.9
of which: Poland	-0.3	-1.2	-0.8	-0.3	0.5
Czech Republic	-0.7	-1.0	-0.5	-0.8	1.3
Romania	-1.0	-0.3	-0.4	0.0	0.0
United Kingdom	19.0	-7.7	-5.1	-12.1	19.6
Sweden	-2.9	-1.1	2.6	-0.4	0.6
Other industrialised countries	-12.5	-2.1	-7.9	-5.6	9.0
of which: Australia	-0.3	-0.7	-0.4	-1.9	3.1
Canada	1.7	0.2	0.6	0.7	-1.2
United States	-13.3	-2.1	-0.2	-4.5	7.2
Japan	-0.2	-0.9	0.8	-0.5	0.7
Norway	-1.2	0.3	-0.4	-1.5	2.4
Switzerland	0.7	1.1	-8.3	2.0	-3.2
Rest of world	-25.1	-14.3	-13.8	-20.7	33.5
of which: Angola	-0.6	0.4	-0.9	-1.1	1.8
Bahamas	0.0	0.0	0.5	-0.8	1.3
Bermuda	-0.6	0.3	0.2	-1.9	3.1
Brazil	-2.4	-4.6	-3.7	-3.4	5.4
China	-1.5	-1.3	-1.4	-1.6	2.6
Egypt	-8.8	5.5	0.1	0.1	-0.2
United Arab Emirates	-0.4	0.1	0.3	1.1	-1.7
Hong Kong	-0.4	0.3	-1.6	-1.6	2.6
British Virgin Islands	-0.1	-4.1	0.0	0.0	0.0
India	-0.5	-0.5	-0.8	-0.7	1.1
Kazakhstan	-0.1	-4.1	0.1	-1.1	1.7
Morocco	-1.1	-1.0	-0.6	-0.2	0.4
Nigeria	1.0	-0.8	0.3	-1.7	2.8
Qatar	0.0	-0.8	0.3	0.4	-0.7
Russia	-4.4	-0.2	-1.6	-5.2	8.4
Singapore	-0.7	0.2	-1.2	-0.7	1.2
Turkey	-0.2	-0.4	-0.3	0.1	-0.1
Total	-78.3	-63.9	-50.1	-61.9	100.0

Note: See "Definition of geographical areas" in Appendix II-C.

a) After restating intercompany lending according to the extended directional principle.

STAT_2.4 Geographical structure of inward direct investment flows
by country of residence of the first counterparty ^{a)}

(EUR billions)

	2008	2009	2010	2011	2011 (%)
European Union (27 members)	8.3	-3.3	7.6	16.1	60.9
Economic and Monetary Union (17 members)	10.5	-0.7	13.7	11.6	43.7
of which: Germany	6.2	-2.9	1.5	2.8	10.7
Belgium	6.9	9.6	-1.6	4.4	16.6
Spain	-4.8	-2.1	1.0	0.2	0.6
Ireland	2.2	-3.9	-0.8	-3.1	-11.6
Italy	-0.9	1.2	-1.2	-0.2	-0.7
Luxembourg	-1.2	-3.9	10.0	-1.9	-7.3
Netherlands	0.3	1.9	3.8	8.6	32.6
Other European Union countries	-2.2	-2.6	-6.1	4.5	17.2
of which: Denmark	0.6	0.8	0.3	0.1	0.3
Poland	0.9	0.2	-0.7	-1.0	-3.8
Czech Republic	-0.1	0.4	0.6	0.2	0.6
Romania	0.1	0.1	-0.1	-0.2	-0.7
United Kingdom	-3.6	-4.2	-4.5	3.9	14.8
Sweden	0.0	-0.1	-1.7	1.3	4.8
Other industrialised countries	8.8	4.8	5.3	5.1	19.3
of which: Canada	1.2	0.9	-0.1	-0.7	-2.6
United States	2.9	2.4	4.2	0.5	1.9
Japan	1.1	0.4	0.1	0.5	1.7
Switzerland	4.5	0.4	0.6	4.7	17.6
Rest of world	-0.8	2.7	2.3	5.2	19.8
of which: Bermuda	0.1	0.1	0.0	0.1	0.6
Brazil	0.1	-0.1	0.1	0.0	0.1
China	0.1	0.1	0.0	0.1	0.3
United Arab Emirates	-1.5	3.1	-1.1	1.4	5.4
Guernsey	0.0	0.2	0.2	0.5	1.8
Hong Kong	-0.1	-0.1	0.1	0.1	0.6
India	0.0	0.0	0.0	0.0	-0.1
Jersey	-0.1	0.2	0.3	0.3	1.1
Lebanon	-0.1	-0.9	1.0	1.3	5.0
Russia	0.0	0.0	0.2	0.1	0.5
Singapore	0.0	-0.1	0.2	0.7	2.5
Turkey	-0.1	-0.1	0.0	0.0	0.0
Total	16.3	4.2	15.2	26.5	100.0

Note: See "Definition of geographical areas" in Appendix II-C

a) After restating loans between affiliated companies according to the extended directional principle.

STAT_2.5 **Outward direct investment flows by sector** ^{a)}

(EUR billions)

	2008	2009	2010	2011	2011 (%)
Agriculture, forestry and fishing	-0.1	0.0	-0.1	0.0	0.0
Mining and quarrying	1.5	-10.4	-1.9	-8.6	13.9
of which: Extraction of crude petroleum and natural gas	1.5	-10.4	-1.8	-8.6	13.9
Manufacturing	-34.4	-4.2	-11.1	-22.8	36.9
of which: Food products and beverages	-9.4	3.2	-1.1	-4.5	7.2
Textiles and wearing apparel	-2.1	-2.1	1.7	-4.6	7.4
Wood, paper, printing and reproduction	-0.4	0.1	0.1	0.0	0.0
Coke and refined petroleum products	-0.3	-0.2	-0.2	-0.3	0.6
Chemicals and chemical products	-2.5	-0.6	-0.6	-1.5	2.4
Pharmaceutical products	-0.8	-4.0	-6.0	-10.7	17.3
Rubber and plastic products	0.1	0.6	-1.0	-0.6	0.9
Basic metals and fabricated metal products	-0.3	0.4	-0.3	-0.8	1.4
Computer, electronic and optical products	0.5	-0.5	-0.1	3.2	-5.2
Machinery and equipment	0.0	-0.3	-2.5	-1.1	1.9
Motor vehicles, trailers and semitrailers	-2.0	-0.8	-2.0	1.5	-2.4
Other transport equipment	-1.1	0.2	-0.5	0.0	0.0
Electricity, gas, steam and air conditioning supply	-10.8	-17.6	-6.9	-1.9	3.0
Water supply, sewerage, waste management and remediation activities	-0.7	0.7	0.7	-0.9	1.4
of which: Water collection, treatment and supply	-0.5	0.9	0.5	-0.8	1.3
Construction	0.3	2.3	-0.9	-1.1	1.8
Wholesale and retail trade, repair of motor vehicles and motorcycles	-3.9	-3.3	-9.4	-2.6	4.2
of which: Wholesale trade	-1.7	-0.2	-4.1	-1.4	2.3
Retail trade	-1.7	-3.9	-4.9	-0.4	0.7
Transportation and storage	0.0	0.0	-2.1	-0.8	1.2
of which: Land transport and transport via pipeline	0.2	0.2	-1.0	-0.1	0.2
Water transport	0.0	0.0	-0.2	0.0	0.0
Air transport	-0.2	-0.1	-0.4	-0.3	0.4
Warehousing and support activities for transportation	0.0	-0.1	-0.5	-0.4	0.6
Accommodation and food service activities	-1.0	-1.1	0.1	-3.0	4.8
Information and communication	-3.0	-5.2	2.5	3.0	-4.9
of which: Motion pictures, video and television programme activities	-1.1	-2.8	3.1	6.9	-11.2
Telecommunications	-1.3	-2.8	0.7	-3.8	6.1
Financial and insurance activities	-20.4	-19.6	-15.5	-19.8	32.1
of which: Financial intermediation, except insurance and pension funding	-15.8	-19.4	-17.4	-14.2	23.0
of which: Activities of holding companies	-3.8	-1.1	0.4	-8.0	13.0
Insurance	-5.1	-1.3	-0.5	-3.2	5.1
Real-estate activities ^{b)}	-3.4	-3.6	-0.5	-0.2	0.3
Professional, scientific and technical activities	-2.2	-1.6	-4.4	-3.2	5.1
of which: Legal and accounting activities	-0.1	-0.2	-0.1	0.0	0.0
Activities of head offices; management consultancy activities	-1.2	-0.1	-3.3	-1.1	1.8
Architectural and engineering activities; technical testing and analysis	-1.0	-0.8	-0.6	-0.2	0.3
Scientific research and development	-0.1	0.0	0.0	-0.1	0.2
Advertising and market research	-0.1	0.1	-0.8	-1.5	2.5
Administrative and support service activities	0.2	0.1	-1.0	0.1	-0.1
Education	0.0	0.0	0.1	0.0	0.0
Human health and social work activities	-0.1	-0.1	0.0	0.0	0.0
Arts, entertainment and recreation	0.1	0.0	0.2	0.0	0.0
Other service activities	0.0	0.0	0.0	-0.1	0.2
Amounts not allocated	-0.4	-0.2	-0.1	0.0	-0.1
Total	-78.3	-63.9	-50.1	-61.9	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group.

a) The structure of direct investment stocks and flows by sector is determined according to the "NAF rév. 2" classification of activities. Intercompany lending is calculated according to the extended directional principle.

b) This item includes the foreign investment of resident enterprises belonging to the real-estate sector, as well as net purchases of foreign real estate assets in the strictest sense.

STAT_2.6 Inward direct investment flows by sector ^{a)}

(EUR billions)

	2008	2009	2010	2011	2011 (%)
Agriculture, forestry and fishing	0.0	0.0	0.0	0.0	0.1
Mining and quarrying	0.7	0.2	-0.8	0.0	-0.1
of which: Extraction of crude petroleum and natural gas	-0.1	0.1	-0.6	0.1	0.5
Manufacturing	11.9	-3.6	7.9	7.3	27.4
of which: Food products and beverages	2.4	-1.9	-1.1	1.2	4.4
Textiles and wearing apparel	-0.2	-0.6	-0.3	0.4	1.6
Wood, paper, printing and reproduction	0.0	-0.9	1.4	0.0	0.1
Coke and refined petroleum products	0.3	0.9	0.1	0.1	0.4
Chemicals and chemical products	0.6	2.9	-1.1	5.3	20.1
Pharmaceutical products	0.2	1.4	3.5	3.9	14.6
Rubber and plastic products	0.1	-0.2	-0.1	0.1	0.3
Basic metals and fabricated metal products	-0.6	-2.1	0.8	-0.5	-1.9
Computer, electronic and optical products	0.7	0.1	0.9	0.1	0.5
Machinery and equipment	-0.1	-1.2	1.8	0.3	1.2
Motor vehicles, trailers and semitrailers	0.4	0.2	1.0	0.2	0.9
Other transport equipment	1.3	-1.5	-0.7	-1.2	-4.6
Electricity, gas, steam and air conditioning supply	0.3	0.6	-1.8	1.6	6.2
Water supply, sewerage, waste management and remediation activities	0.0	0.0	0.0	0.0	0.0
of which: Water collection, treatment and supply	0.0	0.1	0.0	0.0	0.0
Construction	-2.0	0.2	-1.1	0.0	-0.1
Wholesale and retail trade, repair of motor vehicles and motorcycles	-8.2	-7.7	-1.5	1.7	6.4
of which: Wholesale trade	-4.2	-4.7	-1.5	-0.4	-1.4
Retail trade	-3.4	-1.0	0.8	2.1	7.8
Transportation and storage	-0.9	-2.2	-0.3	1.8	6.9
of which: Land transport and transport via pipeline	-0.1	-0.5	0.4	0.8	3.2
Water transport	0.4	-1.1	1.2	0.9	3.5
Air transport	0.1	0.0	-0.3	0.0	0.1
Warehousing and support activities for transportation	-1.3	-0.7	-1.6	0.0	0.1
Accommodation and food service activities	0.5	0.0	0.4	0.8	2.9
Information and communication	4.0	-0.8	1.2	-7.6	-28.6
of which: Motion pictures, video and television programme activities	-0.2	-0.3	0.0	0.1	0.4
Telecommunications	-1.3	0.4	0.5	-8.0	-30.3
Financial and insurance activities	2.5	12.0	0.9	15.8	59.7
of which: Financial intermediation, except insurance and pension funding	-0.7	10.2	2.3	12.0	45.2
of which: Activities of holding companies	3.6	1.9	0.7	11.1	42.1
Insurance	2.5	0.1	1.2	0.4	1.4
Real-estate activities ^{b)}	4.2	3.0	7.7	6.8	25.6
Professional, scientific and technical activities	1.6	0.4	4.1	-0.1	-0.4
of which: Legal and accounting activities	0.0	0.0	0.0	0.1	0.3
Activities of head offices; management consultancy activities	0.8	0.7	3.6	-0.5	-1.9
Architectural and engineering activities; technical testing and analysis	0.3	0.2	0.1	0.0	-0.1
Scientific research and development	0.5	0.0	0.3	0.3	1.2
Advertising and market research	0.1	-0.6	0.0	0.0	0.0
Administrative and support service activities	0.8	1.2	-1.8	-1.3	-4.8
Education	0.5	0.7	0.1	0.0	0.1
Human health and social work activities	0.1	0.0	0.1	-0.2	-0.6
Arts, entertainment and recreation	0.0	0.0	0.0	-0.2	-0.6
Other service activities	0.0	0.0	0.0	0.0	0.0
Amounts not allocated	0.4	0.4	0.0	0.0	-0.1
Total	16.3	4.2	15.2	26.5	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group.

a) The structure of direct investment stocks and flows by sector is determined according to the "NAF rév. 2" classification of activities.

Intercompany loans are calculated according to the extended directional principle.

b) This item includes investment of non-resident enterprises in the real estate sector as well as non-residents' net purchases of real estate assets in the strictest sense in France.

STAT_2.7 **Outward direct investment**

Main deals announced in the press and carried out in 2011,
classified by the resident enterprise in alphabetical order ^{a)}

1. New investments			
Investor group	Direct investment enterprise (and country of resident when different from the country of residence of the counterparty)	Country of residence of first counterparty	Comments
Atos Origin	Siemens IT & Services GmbH	Germany	Acquisition of the information technology division of Siemens
AXA		Australia	Acquisition of the business of the Asian subsidiary of AMP (excluding Australia and New Zealand)
AXA Private Equity	Opodo	United Kingdom	Acquisition (with the Permira fund) of the online travel agency
BNP Paribas	Findomestic Banca S.p.A.	Italy	Acquisition of the remaining 25% stake that BNP did not already hold
Casino	Grupo Pão de Açúcar (Brazil)	United States	Casino provided financing to several American holding companies as part of the expansion of the group's holding in Grupo Pão de Açúcar (Brazil)
Casino	Almacenes Exito (Colombie)	Netherlands	Financing provided through a Dutch subsidiary to the Columbian distributor Almacenes Exito (a 55% owned subsidiary of Casino) so that the latter could acquire stakes in the Uruguayan distribution chains Devoto and Disco
Centres E. Leclerc		Spain	Acquisition by the development structure of the E. Leclerc centres of 7 hypermarkets in Spain
Covéa	Bipiemme Vita S.p.A.	Italy	Acquisition of an 81% stake in Bipiemme Vita S.p.A. by Covéa (jointly owned by MMA, MAAF and GMF)
EADS	Vizada	Luxembourg	Acquisition of the Luxembourg holding company of the communication services company Vizada by Astrium
Etex		Several countries	Following Lafarge's sale of its plaster business to the French subsidiary of the Belgian Etex group, direct acquisition of the entities that had previously been indirectly owned by Lafarge
Eurazeo	Moncler (Italy)	Luxembourg	Financing provided to a Luxembourg holding company to acquire a 45% stake in the Italian luxury clothing distribution group Moncler
Eurazeo	Foncia (France)	Luxembourg	Financing provided to a Luxembourg holding company as part of the takeover of Foncia
Eurofins Scientific	Lancaster Laboratories Inc.	United States	Acquisition of the leading provider of pharmaceutical analysis and quality control services in North America from Thermo Fisher Scientific
Faurecia	Amminex A/S	Denmark	Acquisition of a 21% stake in the Danish diesel emissions control specialist
Imerys	Rio Tinto Talc Ltd	United Kingdom	Acquisition of Rio Tinto's talc business
Ipsos	Synovate	United Kingdom	Acquisition of Synovate, the market research branch of the British Aegis group
Lactalis	Parmalat	Italy	Acquisition of the Italian group by the subsidiaries of the French dairy group, which becomes the world leader in the sector
L'Oréal	Pacific Bioscience Laboratories	United States	Acquisition of the creator of Clarisonic
LVMH	Bulgari	Italy	Acquisition of the Italian jeweller by the French luxury industry leader
Norbert Dentressangle	TDG	United Kingdom	Acquisition of the British transport and logistics company
PAI Partners	Swissport International AG (Switzerland)	Luxembourg	Acquisition (through a Luxembourg holding company) of the airline ground services provider
Sanofi Aventis	Genzyme	United States	Acquisition of the American biotech company
Sanofi Aventis	BMP Sunston (China)	United States	Acquisition of the Chinese mass market health products group listed on the New York Stock Exchange
Schneider Electric	Telvent	Spain	Takeover bid for the Spanish specialist in management software for electricity, oil, water and gas infrastructures (through Schneider España)
Schneider Electric	Luminous (India)	Singapore	Financing provided to a Singapore subsidiary by Schneider Electric for the acquisition of Luminous, the Indian specialist in surge protectors and secure energy supplies
Scor SE	Transamerica Re	United States	Acquisition of the death insurance business of Transamerica Re, a division of the Irish Aegon group
Seb	Supor	China	Additional 20% stake in Supor
Société Générale	Rosbank	Russia	The French group increased its stake from 75% to 82%
Sodexo	Puras do Brasil	Brazil	Acquisition of a 100% stake in Brazil's second-ranking site services company
Technip	Front End Re	Luxembourg	Acquisition of the Luxembourg reinsurance company
Total	Novatek	Russia	Acquisition of a 14% stake in Russia's leading independent gas producer
Total	Yamal LNG	Russia	Acquisition of a 20% stake in a company jointly owed with Novatek for the production of liquefied natural gas
Unibail Rodamco	Rodamco Central Europe BV	Netherlands	Financing provided to a Dutch subsidiary for the acquisition of a shopping centre in Poland
Vallourec	Zamil Pipes	Saudi Arabia	Acquisition of the Saudi specialist in processing and finishing seamless pipes for the gas and oil industry.
Vivendi	See Tickets UK	United Kingdom	Acquisition of the British ticket agency by Vivendi Telecom International

a) Even though these deals were announced in the press, the amounts involved are not given because of statistical secrecy obligations.

STAT_2.7 Outward direct investment

Main deals announced in the press and carried out in 2011, classified by the resident enterprise in alphabetical order ^{a)}

2. Disposals			
Seller	Enterprise sold (and country of residence if different from the first country of origin of the funds withdrawn)	Country of residence of first counterparty	Comments
AXA		Canada	Disposal of the group's life and non-life insurance business in Canada
AXA private Equity	CABB	Germany	Sale of the German inorganic chemistry group acquired in 2007
BNP Paribas	Pargesa Holding	Switzerland	Reduction of stake from 13.7% to 11.3%
Carrefour	Dia (Spain)	Spain and Netherlands	Demerger of Carrefour and Dia
Ciments Français	Set Group	Turkey	Sale to the Turkish group Limak Holding
Converteam International	Converteam Inc.	United States	Following the acquisition of Converteam by General Electric, sale of Converteam's American businesses
EDF	EnBW	Germany	EDF International's sale of its 45% stake in EnBW to the Land Bade-Württemberg
GDF Suez	Noverco	Canada	Sale of a stake in the portfolio company Noverco by a subsidiary of GDF Suez
Lafarge		Australia	Sale of Lafarge's Australian plaster business to the Knauf group
Lafarge	Lafarge Boral Gypsum Asia (LBGA)	Malaysia	Lafarge's withdrawal from its joint venture with the Australian Boral
Lagardère		Several countries	Sale of international magazine businesses owned by Hachette Filipacchi Presse
Somfy SA	Agta Record	Switzerland	The French home automation specialist's sale of its 33% stake in the Swiss manufacturer of industrial doors
Total	Cepsa	Spain	Sale by Odival, a Total subsidiary, of its 48.8% stake in Spain's second-ranking oil company to IPIC, an Abu Dhabi based fund.
Vivendi	PTC	Poland	Vivendi's surrender of all its rights to shares in the Polish mobile telephone operator after receiving compensation paid by Deutsche Telekom and its Polish partners
Vivendi	NBC Universal	United States	Sale of Vivendi's remaining 12.3% stake to General Electric

a) Even though these deals were announced in the press, the amounts involved are not given because of statistical secrecy obligations.

STAT_2.8 **Inward direct investment**

Main deals announced in the press and carried out in 2011,
classified by the resident enterprise in alphabetical order ^{a)}

1. New investments			
Foreign investor group (and country of residence if different from the first counterparty's country of residence)	Direct investment enterprise	Country of residence of first counterparty	Comments
Advent International (United States)	Oberthur Technologies	Luxembourg	Acquisition of the card and identity business of the Oberthur Technologies group by the Advent investment fund through a Luxembourg holding company
Appolo Global Management (United States)	Ascométal	Luxembourg	Acquisition of the French manufacturer of long special steels by the American investment fund Appolo Global Management through a Luxembourg holding company
Axel Springer	SeLogger.com	Germany	Acquisition of the French real-estate advertisement website by AS Online Beteiligungs GmbH, a subsidiary of the German publisher Axel Springer
Ball Corporation	Aerocan France	United States	Acquisition of a former Alcan Packaging subsidiary specialising in the production of aerosol bottles and cans from Barclays Private Equity
China Investment Corporation (China)	GDF Suez E&P International	Luxembourg	Acquisition of a 30% stake in the GDF Suez subsidiary devoted to production and exploration by a Luxembourg holding company of the Chinese sovereign wealth fund China Investment Corporation
Citigroup	Ballane	United States	Acquisition of a portfolio company that had previously been owned by Société Générale
Clayton, Dubilier & Rice (United States)	Financière Spie	Luxembourg	Acquisition by Clayax Acquisition Luxembourg Sarl, a Luxembourg holding company of the investment fund Clayton, Dubilier & Rice
Cooper Industries	Martek Power	United States	Acquisition of the French energy conversion system specialist by a subsidiary of the American Cooper Industries group
CVC Capital Partners (United Kingdom)	Delachaux	Luxembourg	Acquisition of a stake by the British investment fund CVC Capital Partners (through a Luxembourg holding company)
Ernesto Bertarelli (Switzerland)	Stallergènes	Luxembourg	Acquisition by Ares Life Sciences, a Luxembourg fund controlled by the Swiss billionaire Ernesto Bertarelli
Esterline (United States)	Groupe Souriau	United Kingdom	Financing provided for the acquisition of the Souriau group, the French connection specialist for the aerospace, space, defence and heavy industry markets, by the American conglomerate Esterline
Etex (Belgium)		Several countries	Financing provided to Etex Dryco, the French subsidiary of the Belgian group Etex to acquire the plaster business of Lafarge
Famille Desmarais et Frère (Canada)	Imerys	Belgium	Acquisition of a larger stake by Belgian Securities BV, a Belgian holding company ultimately controlled by the Desmarais and Frère family
Famille Ruggieri (France)	Eurosic	Luxembourg	Acquisition of a 20% stake in the property company by Monroe, a Luxembourg holding company owned by the Ruggieri family
Financière Marc Ladreit de Lacharrière (France)	Groupe Lucien Barrière	Luxembourg	Accor's sale of its 40% stake to Fimalac Développement
General Electric (United States)	Converteam	Luxembourg Switzerland Bermuda	Acquisition of a 90% stake in the French electrical and automation equipment and systems specialist
General Mills (United States)	Yoplait	Netherlands	Acquisition of a 51% stake by Y.O.C.V., a Dutch holding company of the American General Mills group
Groupe Bruxelles Lambert	Arkema	Belgium	Equity stake exceeded the 10% notification threshold
Homserve International Ltd	Domeo	United Kingdom	Acquisition of Veolia Environnement's 51% stake in Domeo
JC Flowers & Co (United States)	Compagnie Européenne de Prévoyance (CEP)	Luxembourg	Acquisition of Compagnie Européenne de Prévoyance (CEP) by the American fund JC Flowers & Co through a Luxembourg holding company
Match.com (United States)	Meetic	United Kingdom	Takeover bid by the American Group (through a British subsidiary) of the French dating website
Munksjö AB	Arjowiggins Arches	Sweden	Sale by the French paper group of its factory in Arches (Vosges) to the Swedish company Munksjö AB
Oaktree (United States)	Nord Est Ileos	Luxembourg	Acquisition of the cosmetic and pharmaceutical packaging group by the American investment fund Oaktree (through a Luxembourg holding company)
Solvay	Rhodia	Belgium	Takeover bid by the Belgian chemicals company for Rhodia
Steinhoff (South Africa)	Conforama	Netherlands Austria	PPR's sale of its furniture chain to the South African group Steinhoff
Teva (Israel)	Laboratoires Theramex	Netherlands	Acquisition of the Monaco-based pharmaceutical company by the Israeli group Teva (through a Dutch subsidiary)
Tuscany International Drilling Inc. (Canada)	Caroil	Luxembourg	Acquisition by the Canadian oil services company Tuscany International Drilling Inc. (through a Luxembourg holding company)
Unipapel SA	Spicers France	Spain	Acquisition by the Spanish envelop manufacturer Unipapel
Verbund AG	Poweo	Austria	Acquisition of a 60% stake in Poweo by Austria's leading electricity producer
Watts Industries (United States)	Danfoss Socla SAS	Germany	Acquisition of the industrial valve and water management specialist by the German subsidiary of the American Watts group
	Hôtel Crillon	Saudi Arabia	Acquisition of the Crillon hotel by Saudi investors

a) Even though these deals were announced in the press, the amounts involved are not given because of statistical secrecy obligations.

STAT_2.8 **Inward direct investment**

Main deals announced in the press and carried out in 2011, classified by the resident enterprise in alphabetical order ^{a)}

2. Disposals			
Seller (and country of residence if different from the first counterparty's country of residence)	Enterprise sold	Country of residence of first counterparty	Comments
Banca Leonardo	DNCA Finance	Italy	Sale of the Italian investment bank's asset management subsidiary
BC Partners (United Kingdom)	Medica	Luxembourg	Sale of shares by TBU 3 International, a Luxembourg holding company owned by funds advised by BC Partners
Danfoss International	Danfoss Socla SAS	Denmark	Sale by the Danish parent of its subsidiary specialising in industrial valves and water management
First Choice Leisure Ltd	First Choice France	United Kingdom	Sale to TUI France
Groupe Bruxelles Lambert (Belgium)	Imerys	Netherlands	Sale of shares by Pargesa BV, a Dutch holding company of the Bruxelles Lambert group
KKR (United States) and Wendel (France)	Legrand	Luxembourg Netherlands	Successive sales of blocks of shares
Siemens	Areva	Germany	Sale of the 34% stake in Areva NP (nuclear) owned by the German group
Société Internationale d'Investissements Financiers	EDF Énergies Nouvelles	Luxembourg	Sale of the remaining 25% stake owned by the founder of EDF Énergies Nouvelles to EDF through a Luxembourg holding company
Vodafone (United Kingdom)	Vodafone SA	Luxembourg	Sale of Vodafone's stake in SFR by the Luxembourg subsidiary of Vodafone

a) Even though these deals were announced in the press, the amounts involved are not given because of statistical secrecy obligations.

SERIES 3 PORTFOLIO INVESTMENT FLOWS

STAT_3.1 Portfolio investment flows by type of securities and by issuer's country of residence

(EUR billions)

	2010				2011			
	Equity securities	Bonds and notes	Short-term debt securities	Total	Equity securities	Bonds and notes	Short-term debt securities	Total
European Union (27 members)	-20.5	-0.2	-10.1	-30.8	20.7	68.9	55.7	145.2
Economic and Monetary Union (17 members)	-15.3	9.2	-8.0	-14.1	3.2	78.0	46.9	128.0
of which: Germany	-6.6	4.4	-1.2	-3.4	3.3	35.3	-0.1	38.5
Austria	0.2	-4.7	-0.5	-5.0	-0.2	0.2	-0.3	-0.4
Belgium	-1.9	-9.2	1.8	-9.3	0.3	-0.3	-0.1	-0.1
Spain	0.9	0.8	-6.1	-4.4	-0.2	12.9	21.3	34.1
Finland	0.0	0.7	1.7	2.4	1.1	3.5	0.7	5.3
Greece	0.1	21.4	1.3	22.8	-0.2	5.2	0.3	5.3
Ireland	-0.8	6.5	0.3	6.1	-0.4	7.5	3.7	10.7
Italy	0.3	-3.2	-4.8	-7.6	-1.9	5.9	14.2	18.2
Luxembourg	-2.9	-1.5	-2.0	-6.4	-0.3	-4.3	3.1	-1.6
Netherlands	-4.1	-7.0	-3.3	-14.4	2.0	1.5	1.3	4.8
Portugal	-0.4	1.8	5.3	6.7	0.1	10.9	2.7	13.7
Other European Union countries (27 members)	-5.2	-9.3	-2.1	-16.6	17.5	-9.1	8.8	17.3
of which: United Kingdom	-4.8	-6.5	1.5	-9.9	16.6	-2.1	13.2	27.7
Sweden	0.1	-1.9	-2.2	-3.9	0.2	-0.3	-5.3	-5.3
Other industrialised countries (8)	2.3	0.9	14.0	17.2	24.2	4.6	-14.7	14.1
of which: United States	-1.2	4.1	1.0	3.9	13.3	-4.1	-3.6	5.6
Japan	5.8	1.9	12.0	19.7	4.8	2.8	-9.8	-2.1
Switzerland	0.0	-0.2	0.4	0.3	4.4	-0.1	-0.8	3.5
Rest of world	2.3	15.5	22.0	39.8	9.1	7.2	1.8	18.2
of which: Netherlands Antilles	-0.3	2.3	-0.1	1.9	0.1	4.4	0.1	4.6
Bermuda	1.4	0.1	0.0	1.5	0.6	0.4	0.0	1.0
Brazil	-0.7	-0.9	0.0	-1.6	0.4	0.5	0.0	0.8
China	-1.5	0.1	0.0	-1.4	-1.8	0.0	-0.2	-2.0
South Korea	-0.2	-0.3	0.1	-0.3	2.0	1.5	0.1	3.6
Cayman Islands	4.6	12.2	1.4	18.3	2.1	1.1	0.0	3.3
India	-0.2	0.0	0.0	-0.2	1.6	0.0	0.0	1.6
Jersey	1.5	2.0	-0.8	2.7	2.0	-0.3	0.6	2.2
Russia	-1.3	0.0	0.0	-1.4	-0.4	0.1	-0.1	-0.4
Turkey	-0.6	-0.4	0.0	-1.0	0.5	-0.8	0.0	-0.4
Total	-15.9	16.2	25.9	26.2	54.0	80.8	42.7	177.5

Note: See "Definition of geographical areas" in Appendix II-C.

**STAT_3.2 Assets (residents' transactions in securities issued by non-residents)
by instrument and by currency (euro/foreign currencies) ^{a)}**

(EUR billions)

	2009			2010			2011		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Euro area issuers	-90.8	0.5	-90.3	-10.1	-4.0	-14.1	128.1	-0.1	128.0
Equity securities and mutual funds	-22.4	-2.3	-24.7	-7.5	-7.8	-15.3	-0.1	3.2	3.2
Equity securities	-11.8	-3.3	-15.1	-6.5	-6.5	-13.0	-1.3	1.8	0.5
Mutual fund shares/units	-10.6	1.0	-9.6	-1.0	-1.3	-2.2	1.2	1.4	2.7
Bonds and notes	-33.8	3.8	-30.0	6.2	2.9	9.2	81.3	-3.4	78.0
Treasury notes maturing at more than one year	-22.9	0.0	-22.9	-8.7	0.0	-8.7	8.0	0.0	8.0
Other bonds	-10.9	3.8	-7.1	15.0	2.9	17.9	73.3	-3.4	69.9
Short-term debt securities	-34.6	-1.0	-35.6	-8.9	0.9	-8.0	46.8	0.1	46.9
Treasury notes maturing at less than one year	-12.3	0.0	-12.2	-7.9	0.0	-7.9	20.4	-0.5	19.9
Other short-term debt securities	-22.3	-1.0	-23.3	-1.0	0.9	-0.1	26.4	0.5	27.0
Issuers outside the euro area	-13.5	31.7	18.1	17.6	22.7	40.4	21.0	28.5	49.5
Equity securities and mutual funds	0.7	-4.9	-4.2	5.9	-6.4	-0.6	6.6	44.2	50.8
Equity securities	-1.7	-15.2	-16.9	0.9	-8.3	-7.4	1.5	42.7	44.2
Mutual fund shares/units	2.3	10.3	12.7	5.0	1.9	6.8	5.1	1.5	6.6
Bonds and notes	-6.7	24.5	17.8	-13.4	20.4	7.0	11.9	-9.1	2.8
Treasury notes maturing at more than one year	-0.1	2.2	2.1	0.0	-8.1	-8.0	0.1	3.5	3.6
Other bonds	-6.7	22.4	15.7	-13.4	28.5	15.1	11.9	-12.6	-0.7
Short-term debt securities	-7.5	12.0	4.5	25.1	8.8	33.9	2.4	-6.6	-4.2
Treasury notes maturing at less than one year	1.3	11.5	12.8	0.0	13.3	13.3	-0.1	-9.8	-9.9
Other short-term debt securities	-8.8	0.5	-8.2	25.1	-4.5	20.6	2.5	3.2	5.7
All issuers	-104.3	32.2	-72.2	7.5	18.8	26.2	149.1	28.4	177.5
Equity securities and mutual funds	-21.7	-7.1	-28.9	-1.6	-14.3	-15.9	6.5	47.5	54.0
Equity securities	-13.5	-18.5	-32.0	-5.6	-14.9	-20.4	0.2	44.6	44.8
Mutual fund shares/units	-8.3	11.4	3.1	4.0	0.6	4.6	6.3	2.9	9.3
Bonds and notes	-40.5	28.3	-12.2	-7.1	23.3	16.2	93.3	-12.5	80.8
Treasury notes maturing at more than one year	-23.0	2.2	-20.8	-8.7	-8.1	-16.8	8.1	3.5	11.6
Other bonds	-17.6	26.1	8.6	1.6	31.4	32.9	85.2	-16.0	69.2
Short-term debt securities	-42.0	11.0	-31.0	16.2	9.7	25.9	49.3	-6.5	42.7
Treasury notes maturing at less than one year	-10.9	11.5	0.5	-7.9	13.3	5.3	20.3	-10.3	10.0
Other short-term debt securities	-31.1	-0.5	-31.6	24.1	-3.6	20.6	28.9	3.8	32.7

a) No sign means residents' net sales of foreign securities; (-) sign means residents' net acquisitions of foreign securities.

STAT_3.3 Liabilities (non-residents' transactions in securities issued by residents)
by sector and by instrument

(EUR billions)

	2005	2006	2007	2008	2009	2010	2011
General government	73.9	18.1	24.3	98.7	153.9	47.8	44.5
OATs	46.6	33.2	29.6	31.0	48.1	39.7	23.9
BTANs	6.4	6.6	8.4	19.6	19.7	11.8	11.4
Other bonds and notes	19.2	6.4	-18.4	-5.2	15.3	0.3	13.8
BTFs	5.6	-22.7	4.1	42.6	66.2	-4.9	-17.1
Other short-term debt securities	-3.9	-5.4	0.6	10.7	4.7	1.0	12.6
Monetary financial institutions	60.7	73.0	50.1	14.9	33.2	38.9	10.5
Equity securities	3.1	13.7	-9.6	8.7	10.1	-1.4	1.2
Money market fund shares/units	3.5	12.8	0.6	-0.4	-0.4	-9.8	-1.2
Bonds and notes	39.1	34.8	49.0	11.6	18.3	42.8	32.6
Short-term debt securities	15.0	11.8	10.1	-5.0	5.2	7.3	-22.2
Other sectors	46.4	60.7	11.4	9.7	127.3	10.2	19.1
Equity securities	25.9	37.8	-1.9	-10.6	19.6	-5.8	16.0
Mutual fund shares/units other than money market funds	20.1	10.4	3.8	-8.6	17.9	13.3	-13.5
Bonds and notes	-1.7	9.6	13.6	23.9	88.4	4.4	14.3
Short-term debt securities	2.2	2.9	-4.2	5.0	1.3	-1.7	2.3

SERIES 4 INTERNATIONAL INVESTMENT POSITION

STAT_4.1 International investment position time series from 2003 to 2011

(EUR billions)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct investment									
At book value ^{a)}	155.9	149.5	203.8	214.4	225.1	290.8	352.1	439.8	485.5
At market value ^{b)}	232.5	210.2	291.0	381.5	371.9	261.0	377.9	399.8	316.0
Outward									
At book value ^{a)}	573.6	620.6	736.2	793.0	874.2	975.3	1,036.0	1,149.6	1,222.3
At market value ^{b)}	749.6	847.1	1,044.6	1,222.4	1,219.2	911.0	1,099.1	1,182.3	1,060.9
Inward									
At book value ^{a)}	-417.6	-471.1	-532.4	-578.7	-649.1	-684.5	-683.9	-709.8	-736.7
At market value ^{b)}	-517.1	-636.9	-753.5	-840.8	-847.4	-650.0	-721.2	-782.5	-744.9
Portfolio investment	-203.4	-174.5	-176.9	-112.0	26.2	-15.1	-249.9	-341.5	-622.9
Foreign securities	1,084.4	1,285.3	1,587.9	1,851.0	2,014.1	1,857.4	2,049.9	2,090.4	1,828.9
Equity securities and mutual fund shares/units	269.4	325.0	444.9	544.3	561.7	341.1	448.4	508.7	390.6
Bonds and notes	720.3	854.4	1,017.0	1,170.7	1,325.8	1,307.5	1,362.9	1,357.5	1,252.7
Short-term debt securities	94.7	105.9	126.0	136.1	126.7	208.7	238.5	224.1	185.7
Domestic securities	-1,287.8	-1,459.8	-1,764.8	-1,963.0	-1,987.9	-1,872.5	-2,299.7	-2,431.8	-2,451.8
Equity securities and mutual fund shares/units	-388.7	-436.0	-585.3	-752.0	-720.3	-449.0	-573.2	-570.5	-489.9
Bonds and notes	-811.8	-923.1	-1,056.7	-1,104.4	-1,152.3	-1,252.0	-1,477.3	-1,614.9	-1,721.6
Short-term debt securities	-87.4	-100.7	-122.8	-106.7	-115.3	-171.5	-249.2	-246.5	-240.3
Memorandum item: Treasury securities	-405.4	-478.6	-541.6	-541.8	-573.0	-696.9	-831.1	-887.6	-922.9
Financial derivatives ^{c)}	-23.9	-19.7	-22.9	-29.7	-71.6	-55.3	-38.4	-38.0	-39.2
Other investment (excluding reserve assets)	-50.8	-89.8	-135.0	-294.4	-433.0	-513.5	-359.1	-296.7	-104.3
Trade credits and payments on account	23.8	25.9	14.5	10.4	2.0	-3.4	-6.5	-16.0	-22.9
Assets	88.6	91.3	88.9	83.8	85.7	84.9	78.4	78.0	75.2
Liabilities	-64.8	-65.4	-74.4	-73.4	-83.7	-88.3	-85.0	-94.0	-98.1
Banque de France deposit/loan position	31.1	21.0	20.5	1.0	-48.2	-187.2	-139.1	-99.5	-176.9
Assets	34.6	25.5	22.9	24.9	39.6	29.9	35.6	51.8	46.1
Liabilities	-3.5	-4.5	-2.4	-23.9	-87.8	-217.1	-174.7	-151.3	-223.0
General government deposit/loan position	9.6	6.5	12.9	13.1	7.6	2.0	5.8	10.7	17.2
Assets	28.4	27.2	29.0	31.9	26.7	26.7	26.1	31.3	41.6
Liabilities	-18.8	-20.7	-16.1	-18.7	-19.1	-24.7	-20.2	-20.5	-24.3
MFIs' deposit/loan position	-132.1	-161.5	-175.4	-299.4	-370.9	-286.6	-208.1	-175.4	70.6
Assets	492.0	578.9	840.7	945.6	1,094.7	1,058.6	990.6	1,123.2	1,205.1
Liabilities	-624.2	-740.4	-1,016.1	-1,245.0	-1,465.6	-1,345.2	-1,198.8	-1,298.6	-1,134.5
Deposit/loan position of other sectors ^{d)}	16.8	18.3	-7.4	-19.5	-23.6	-38.2	-11.2	-16.6	7.6
Assets	77.8	81.0	80.2	77.2	78.9	73.4	78.8	81.6	110.6
Liabilities	-61.0	-62.7	-87.7	-96.7	-102.5	-111.6	-90.0	-98.2	-103.1
Reserve assets	56.0	56.8	63.0	74.6	78.6	74.0	92.4	124.5	133.1
Total assets									
With direct investment at book value	2,528.5	2,883.4	3,573.4	4,041.2	4,533.5	4,414.1	4,661.2	5,597.8	5,877.4
With direct investment at market value	2,704.5	3,109.9	3,881.8	4,470.5	4,878.6	4,349.8	4,724.3	5,630.6	5,716.0
Total liabilities									
With direct investment at book value	-2,594.7	-2,961.2	-3,641.3	-4,188.3	-4,708.2	-4,633.3	-4,864.0	-5,709.8	-6,025.2
With direct investment at market value	-2,694.2	-3,126.9	-3,862.5	-4,450.4	-4,906.5	-4,598.8	-4,901.4	-5,782.5	-6,033.3
International investment position									
With direct investment at book value	-66.2	-77.8	-67.9	-147.1	-174.7	-219.2	-202.8	-111.9	-147.8
With direct investment at market value	10.4	-17.0	19.3	20.0	-27.9	-249.0	-177.0	-151.9	-317.3

Note: The series for 1995 to 2002 are available on the Banque de France website.

a) Stocks of direct investment at book value in 2011 were estimated on the basis of stocks at the end of 2010, direct investment flows in 2011 and exchange rate variations for positions in foreign currencies.

b) Stocks of direct investment at market value at the end of 2011 were based on the estimated stocks at book value, adjusted for changes in the market capitalisation ratios of the CAC 40 companies.

c) The data collection methodology for financial derivatives has changed leading to a break in the series in 2011 (see Appendix II-D).

d) Non-financial corporations, insurance companies, investment firms, mutual funds other than money market funds.

STAT_4.2 **Stocks of direct investment at book value and at market value**

Stocks at end of year

(EUR billions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 *	2010 *	2011
Outward direct investment												
At book value ^{a)}	418.2	499.2	469.3	467.8	491.0	551.6	578.8	636.8	714.3	780.3	880.9	948.9
Equity	353.1	409.5	390.2	380.1	418.1	491.4	548.8	598.2	658.6	726.1	820.2	872.7
<i>Listed companies</i>	28.2	13.1	21.5	21.4	26.3	32.8	38.7	48.2	29.2	38.7	43.0	48.9
<i>Unlisted companies</i>	319.4	389.3	360.3	349.3	381.2	445.4	494.3	531.2	609.9	666.9	754.0	798.7
<i>Real-estate investment</i>	5.6	7.1	8.4	9.4	10.6	13.1	15.8	18.8	19.4	20.6	23.2	25.1
Other capital (loans)	65.0	89.7	79.1	87.7	72.9	60.2	30.1	38.6	55.8	54.1	60.7	76.2
At market value ^{b)}	934.9	827.7	519.3	643.8	717.4	859.9	1,008.1	981.9	650.0	843.4	913.6	787.5
Equity	869.9	738.1	440.2	556.1	644.5	799.7	978.0	943.2	594.3	789.3	853.0	711.3
<i>Listed companies</i>	95.1	45.9	39.6	45.5	53.3	73.6	104.5	132.7	40.5	59.6	67.7	61.3
<i>Unlisted companies</i>	760.3	675.2	381.7	490.1	567.7	697.6	840.8	773.9	517.3	691.6	742.6	605.0
<i>Real-estate investment</i>	14.5	17.0	18.9	20.5	23.5	28.5	32.8	36.6	36.4	38.0	42.7	45.0
Other capital (loans)	65.0	89.7	79.1	87.7	72.9	60.2	30.1	38.6	55.8	54.1	60.7	76.2
Inward direct investment												
At book value ^{a)}	-219.0	-256.9	-277.6	-312.0	-341.4	-347.7	-364.5	-411.7	-423.5	-428.1	-441.1	-463.4
Equity	-195.2	-212.2	-232.3	-267.4	-295.2	-325.1	-348.7	-386.2	-395.3	-408.4	-422.9	-437.9
<i>Listed companies</i>	-18.1	-19.4	-17.6	-17.2	-15.4	-26.7	-31.7	-31.4	-30.6	-37.5	-38.5	-38.6
<i>Unlisted companies</i>	-153.3	-163.9	-178.9	-205.4	-229.1	-240.8	-250.6	-277.5	-284.8	-288.2	-297.9	-313.7
<i>Real-estate investment</i>	-23.8	-28.9	-35.7	-44.8	-50.7	-57.5	-66.4	-77.3	-79.9	-82.7	-86.5	-85.7
Other capital (loans)	-23.8	-44.8	-45.3	-44.6	-46.3	-22.7	-15.8	-25.6	-28.2	-19.7	-18.2	-25.4
At market value ^{b)}	-360.0	-358.1	-330.9	-411.4	-507.1	-568.9	-626.6	-610.0	-389.0	-465.4	-513.8	-471.5
Equity	-336.2	-313.3	-285.6	-366.8	-460.9	-546.2	-610.8	-584.5	-360.9	-445.7	-495.7	-446.1
<i>Listed companies</i>	-43.9	-38.0	-31.2	-23.3	-29.7	-54.2	-80.5	-72.0	-39.2	-64.2	-65.1	-52.9
<i>Unlisted companies</i>	-234.0	-209.3	-185.1	-266.5	-349.4	-399.1	-422.3	-386.2	-200.6	-245.8	-283.4	-229.6
<i>Real-estate investment</i>	-58.3	-66.0	-69.3	-77.0	-81.7	-92.9	-108.0	-126.3	-121.1	-135.7	-147.2	-163.6
Other capital (loans)	-23.8	-44.8	-45.3	-44.6	-46.3	-22.7	-15.8	-25.6	-28.2	-19.7	-18.2	-25.4
Net direct investment												
At book value ^{a)}	199.1	242.3	191.7	155.7	149.5	203.9	214.3	225.1	290.8	352.1	439.8	485.5
Equity	157.9	197.4	157.9	112.7	122.9	166.3	200.1	212.0	263.2	317.7	397.3	434.7
<i>Listed companies</i>	10.1	-6.3	3.9	4.2	10.9	6.1	6.9	16.8	-1.4	1.1	4.5	10.3
<i>Unlisted companies</i>	166.1	225.4	181.4	143.9	152.1	204.6	243.7	253.7	325.2	378.7	456.1	485.0
<i>Real-estate investment</i>	-18.3	-21.8	-27.4	-35.4	-40.1	-44.4	-50.6	-58.5	-60.5	-62.1	-63.3	-60.6
Other capital (loans)	41.2	44.9	33.8	43.0	26.6	37.5	14.2	13.1	27.6	34.4	42.5	50.8
At market value ^{b)}	574.9	469.6	188.4	232.4	210.2	291.1	381.5	371.9	261.0	377.9	399.8	316.0
Equity	533.7	424.7	154.6	189.3	183.6	253.5	367.3	358.8	233.4	343.5	357.3	265.2
<i>Listed companies</i>	51.2	7.9	8.4	22.2	23.6	19.4	24.0	60.8	1.4	-4.6	2.6	8.4
<i>Unlisted companies</i>	526.3	465.9	196.6	223.6	218.3	298.5	418.5	387.7	316.7	445.8	459.2	375.4
<i>Real-estate investment</i>	-43.8	-49.1	-50.4	-56.5	-58.2	-64.4	-75.1	-89.7	-84.7	-97.7	-104.5	-118.6
Other capital (loans)	41.2	44.9	33.8	43.0	26.6	37.5	14.2	13.1	27.6	34.4	42.5	50.8

Note: The amount of intercompany lending is calculated after restating the loans according to the extended directional principle.

* Revised data.

a) Stocks of direct investment at book value at the end of 2011 were estimated on the basis of stocks at the end of 2010, direct investment flows in 2011 and exchange rate variations for positions in foreign currencies.

b) Stocks of direct investment at market value at the end of 2011 were based on the estimated stocks at book value, adjusted for changes in the market capitalisation ratios of the CAC 40 companies.

STAT_4.3 Direct investment from end 2009 to end 2010
(estimated market value)

(EUR billions)

	Stocks end 2009 ^{a)}	Balance of payments transactions in 2010 ^{b)}	Variations attributable to changes in exchange rates, market prices and other adjustments ^{b)}				Total variations between end 2009 and end 2010 ^{b)}	Stocks end 2010 ^{a)}
			Total	Exchange rate changes ^{b)}	Price changes ^{b)}	Other adjustments ^{b)}		
	1	2	3				4 = (2 + 3)	5 = (1 + 4)
Outward direct investment	843.3	50.1	20.2	38.6	-17.7	-0.7	70.3	913.6
Equity	789.2	45.4	18.3	36.7	-17.7	-0.7	63.8	853.0
Listed companies	59.6	1.4	6.7	4.7	-0.8	2.8	8.1	67.7
Unlisted companies	691.6	41.1	9.9	30.3	-16.8	-3.6	51.0	742.6
Real-estate investment	38.0	2.9	1.7	1.8	-0.1	0.0	4.7	42.7
Other capital^{c)}	54.1	4.7	1.9	1.9	0.0	0.0	6.6	60.7
Inward direct investment	-465.4	-15.2	-33.2	0.0	-31.9	-1.3	-48.4	-513.8
Equity	-445.7	-16.7	-33.2	0.0	-31.9	-1.3	-50.0	-495.7
Listed companies	-64.2	-0.5	-0.4	0.0	-3.7	3.3	-0.9	-65.1
Unlisted companies	-245.8	-9.9	-27.7	0.0	-23.1	-4.6	-37.6	-283.4
Real-estate investment	-135.7	-6.4	-5.1	0.0	-5.1	0.0	-11.5	-147.2
Other capital^{c)}	-19.7	1.5	0.0	0.0	0.0	0.0	1.5	-18.2
Net position	377.9	34.9	-13.0	38.6	-49.6	-2.1	21.9	399.8
Equity	343.5	28.7	-14.9	36.7	-49.6	-2.1	13.8	357.3
Listed companies	-4.6	0.9	6.3	4.7	-4.4	6.1	7.2	2.6
Unlisted companies	445.8	31.2	-17.8	30.3	-40.0	-8.2	13.4	459.2
Real-estate investment	-97.7	-3.4	-3.4	1.8	-5.2	0.0	-6.8	-104.5
Other capital^{c)}	34.4	6.2	1.9	1.9	0.0	0.0	8.1	42.5

a) Revised data.

b) Position sign:

No sign means an increase in assets or a decrease in liabilities.

(-) sign means a decrease in assets or an increase in liabilities.

c) After restating intercompany lending according to the extended directional principle.

STAT_4.4 Direct investment by resident sector
(at book value)

(EUR billions)

	Stocks at end of year		
	2009	2010	2011 ^{a)}
Outward direct investment^{b)}	780.3	880.9	948.9
Monetary financial institutions	120.3	135.7	146.0
Others (including real-estate investment)	660.0	745.2	802.9
Inward direct investment^{c)}	-428.1	-441.1	-463.4
Monetary financial institutions	-36.8	-35.4	-38.6
Others (including real-estate investment)	-391.3	-405.7	-424.8

Note: Intercompany lending is calculated according to the extended directional principle.

a) Estimates based on stocks at the end of 2010 and flows in 2011.

b) Resident investor's sector.

c) Resident investment sector.

STAT_4.5 **Stocks of outward direct investment at book value
by country of residence of the first counterparty ^{a)}**

(EUR billions)

	2008	2009 ^{b)}	2010 ^{b)}	2011 ^{c)}	2011 (%)
European Union (27 members)	428.3	471.4	514.4	552.3	58.2
Economic and Monetary Union (17 members)	335.4	368.8	401.2	423.5	44.6
of which: Germany	48.2	47.7	53.4	56.5	6.0
Belgium	99.1	122.8	133.9	139.9	14.7
Spain	26.1	25.9	27.6	28.5	3.0
Ireland	16.2	15.6	17.2	18.5	2.0
Italy	37.7	37.1	37.0	48.2	5.1
Luxembourg	17.3	26.9	31.8	29.8	3.1
Netherlands	79.3	80.2	87.4	88.5	9.3
Other European Union countries	93.0	102.6	113.2	128.8	13.6
of which: Denmark	1.1	1.5	1.0	0.8	0.1
Poland	8.7	9.8	11.5	11.7	1.2
Czech Republic	5.0	5.0	5.8	6.4	0.7
Romania	3.0	3.3	3.7	3.6	0.4
United Kingdom	67.5	74.3	82.2	97.3	10.3
Sweden	3.9	5.1	4.9	5.3	0.6
Other industrialised countries	192.1	200.4	233.3	245.7	25.9
of which: Australia	4.9	5.4	6.9	9.1	1.0
Canada	5.8	7.3	7.9	8.2	0.9
United States	137.8	143.0	158.2	165.7	17.5
Japan	14.0	14.5	16.7	19.0	2.0
Switzerland	25.2	25.7	37.4	36.5	3.8
Rest of world	93.9	108.4	133.2	150.9	15.9
of which: South Africa	0.8	1.1	1.6	1.6	0.2
Algeria	1.0	1.5	1.7	1.8	0.2
Angola	3.3	4.0	5.5	6.3	0.7
Saudi Arabia	1.3	1.2	1.6	1.9	0.2
Argentina	1.6	1.4	1.7	1.8	0.2
Bermuda	0.2	2.2	2.2	4.2	0.4
Brazil	11.6	17.2	23.0	24.2	2.5
China	7.2	8.3	10.6	13.1	1.4
Congo	2.1	2.4	2.4	2.8	0.3
South Korea	2.0	2.2	2.6	2.6	0.3
Egypt	2.1	4.1	4.4	3.9	0.4
United Arab Emirates	1.2	1.2	1.0	-0.2	0.0
Hong Kong	3.7	3.8	5.7	7.9	0.8
India	1.8	2.3	3.2	3.4	0.4
Indonesia	1.5	1.5	1.6	2.2	0.2
Israel	1.2	1.0	1.4	1.5	0.2
Jersey	1.5	1.4	1.5	1.4	0.2
Kazakhstan	3.6	3.6	3.7	5.4	0.6
Morocco	7.5	7.7	8.3	8.3	0.9
Mexico	2.1	2.0	2.1	2.1	0.2
Nigeria	3.5	4.3	4.4	5.9	0.6
Qatar	0.8	0.9	0.9	0.5	0.0
Russia	4.8	5.2	7.0	11.9	1.3
Singapore	2.9	3.6	5.1	5.8	0.6
Thailand	1.0	1.1	1.5	1.6	0.2
Turkey	3.6	4.1	6.2	5.2	0.5
Ukraine	0.9	0.8	1.1	0.7	0.1
Venezuela	1.8	1.4	1.4	0.8	0.1
Total	714.3	780.3	880.9	948.9	100.0

Note: See "Definition of geographical areas" in Appendix II-C.

a) Intercompany lending included in these statistics was calculated according to the extended directional principle.

b) Revised data.

c) Estimates based on stocks at the end of 2010 and flows in 2011.

**STAT_4.6 Stocks of inward direct investment at book value
by country of residence of the first counterparty ^{a)}**

(EUR billions)

	2008	2009 ^{b)}	2010 ^{b)}	2011 ^{c)}	2011 (%)
European Union (27 members)	321.8	319.4	326.1	340.9	73.6
Economic and Monetary Union (17 members)	261.1	260.1	270.2	282.8	61.0
of which: Germany	45.7	44.1	45.5	47.9	10.3
Belgium	39.3	48.1	44.1	49.2	10.6
Spain	15.9	14.2	15.4	15.2	3.3
Ireland	10.4	7.5	7.0	3.7	0.8
Italy	13.7	15.4	13.8	13.3	2.9
Luxembourg	61.4	54.1	66.7	66.2	14.3
Netherlands	69.6	72.4	72.9	81.7	17.6
Other European Union countries	60.7	59.3	55.9	58.1	12.5
of which: Denmark	4.1	5.6	5.6	5.5	1.2
Poland	-0.6	-0.5	-0.8	-1.6	-0.3
Czech Republic	-0.2	0.2	0.8	0.9	0.2
Romania	0.1	0.2	0.0	-0.2	0.0
United Kingdom	53.9	50.3	48.0	49.7	10.7
Sweden	3.6	3.4	2.5	3.6	0.8
Other industrialised countries	87.2	93.1	98.5	101.1	21.8
of which: Australia	-0.6	-0.2	0.4	0.5	0.1
Canada	2.9	4.0	3.7	3.0	0.6
United States	50.7	54.9	58.3	57.9	12.5
Japan	6.8	7.1	6.7	7.0	1.5
Switzerland	26.1	25.5	27.8	31.2	6.7
Rest of world	14.6	15.5	16.5	21.4	4.6
Algeria	0.2	0.1	0.1	0.1	0.0
Netherlands Antilles	0.8	0.8	0.8	0.8	0.2
Saudi Arabia	0.5	0.5	0.5	0.5	0.1
Bermuda	0.6	0.7	0.7	0.9	0.2
Brazil	0.0	0.0	-0.1	0.0	0.0
China	0.0	-0.1	-0.1	0.0	0.0
South Korea	-0.1	0.0	0.0	0.1	0.0
Egypt	0.1	0.2	0.2	0.2	0.0
United Arab Emirates	0.2	3.6	2.4	3.8	0.8
Gabon	0.2	0.2	0.3	0.4	0.1
Hong Kong	0.5	0.7	0.7	0.8	0.2
British Virgin Islands	0.3	0.3	0.2	0.1	0.0
India	0.2	0.2	0.2	0.2	0.0
Israel	-0.1	-0.1	0.1	0.1	0.0
Jersey	0.0	0.0	0.3	0.5	0.1
Lebanon	2.2	1.1	2.1	3.3	0.7
Morocco	0.0	-0.1	0.0	0.0	0.0
Mexico	0.5	0.7	0.6	0.6	0.1
Qatar	0.8	0.5	0.5	0.6	0.1
Russia	-0.1	0.1	0.2	0.3	0.1
Singapore	0.2	0.4	0.3	1.0	0.2
Thailand	-0.1	-0.3	-0.2	-0.2	-0.1
Turkey	0.2	0.0	0.0	0.0	0.0
Total	423.5	428.1	441.1	463.4	100.0

Note: See "Definition of geographical areas" in Appendix II-C.

a) Intercompany lending included in these statistics was calculated according to the extended directional principle.

b) Revised data.

c) Estimates based on stocks at the end of 2010 and flows in 2011.

STAT_4.7 **Outward direct investment at book value by sector** ^{a)}

(EUR billions)

	2008	2009	2010	2011 ^{b)}	2011 (%)
Agriculture, forestry and fishing	0.3	0.2	0.4	0.4	0.0
Mining and quarrying	28.6	28.2	32.4	43.9	4.6
of which: Extraction of crude petroleum and natural gas	28.5	28.2	32.4	43.9	4.6
Manufacturing	198.2	202.3	210.4	243.4	25.6
of which: Food products and beverages	28.0	28.5	29.2	35.6	3.8
Textiles and wearing apparel	8.8	8.1	7.4	12.0	1.3
Wood, paper, printing and reproduction	2.8	2.3	2.3	2.3	0.2
Coke and refined petroleum products	2.0	2.0	1.4	3.6	0.4
Chemicals	16.8	12.7	13.2	21.5	2.3
Pharmaceutical products	17.6	28.9	34.9	46.5	4.9
Rubber and plastic products	7.1	6.5	8.5	9.2	1.0
Basic metals and fabricated metal products	6.7	5.7	7.0	7.6	0.8
Computer, electronic and optical products	8.0	22.1	23.4	20.4	2.2
Machinery and equipment	12.7	14.0	17.2	17.7	1.9
Motor vehicles, trailers and semitrailers	17.6	19.4	26.8	25.9	2.7
Other transport equipment	7.3	6.7	5.9	5.9	0.6
Electricity, gas, steam and air conditioning supply	42.1	58.5	69.7	72.1	7.6
Water supply, sewerage, waste management and remediation activities	9.4	12.0	9.2	10.6	1.1
of which: Water collection, treatment and supply	8.0	10.4	7.9	9.1	1.0
Construction	11.3	22.4	25.9	27.1	2.9
Wholesale and retail trade, repair of motor vehicles and motorcycles	45.1	48.7	73.2	76.6	8.1
of which: Wholesale trade	14.6	12.2	34.2	36.1	3.8
Retail trade	27.8	32.3	36.4	37.0	3.9
Transportation and storage	5.9	6.3	9.1	9.8	1.0
of which: Land transport and transport via pipeline	1.9	1.5	2.7	2.1	0.2
Water transport	0.5	0.3	0.3	0.3	0.0
Air transport	1.3	1.6	2.2	2.5	0.3
Warehousing and support activities for transportation	1.4	2.8	3.6	4.8	0.5
Accommodation and food service activities	6.7	8.8	8.5	10.5	1.1
Information and communication	71.4	70.6	73.7	75.3	7.9
of which: Motion pictures, video and television programme activities	19.8	20.8	21.3	15.7	1.7
Telecommunications	36.7	36.5	36.9	43.7	4.6
Financial and insurance activities	219.2	232.4	255.6	276.5	29.1
of which: Financial intermediation, except insurance and pension funding	155.8	168.4	183.1	197.6	20.8
of which: Activities of holding companies	34.5	25.1	22.7	30.0	3.2
Insurance	50.6	52.7	56.9	61.0	6.4
Real-estate activities ^{c)}	26.8	34.2	43.7	41.2	4.3
Professional, scientific and technical activities	30.5	35.5	41.8	43.0	4.5
of which: Legal and accounting activities	1.3	1.0	1.5	1.4	0.2
Activities of head offices; management consultancy activities	11.7	12.4	18.0	23.0	2.4
Architectural and engineering activities; technical testing and analysis	7.8	11.5	12.1	5.9	0.6
Scientific research and development	0.3	0.4	0.5	1.1	0.1
Advertising and market research	9.7	9.8	9.9	11.3	1.2
Administrative and support service activities	1.8	9.6	12.8	4.2	0.4
Education	0.2	0.1	0.1	0.1	0.0
Human health and social work activities	0.5	0.3	0.8	0.8	0.1
Arts, entertainment and recreation	0.3	0.3	0.4	0.4	0.0
Other service activities	0.4	0.2	0.5	0.5	0.1
Amounts not allocated	15.7	9.6	12.6	12.6	1.3
Total	714.3	780.3	880.9	948.9	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group.

a) The structure of direct investment stocks and flows by sector is determined according to the "NAF rév. 2" classification of activities. Intercompany lending included in these statistics was calculated according to the extended directional principle.

b) Estimates based on stocks at the end of 2010 and flows in 2011.

c) This item includes the foreign investment of resident enterprises in the real-estate sector as well as net purchases of foreign real-estate assets in the strictest sense.

STAT_4.8 Inward direct investment at book value by sector ^{a)}

(EUR billions)

	2008	2009	2010	2011 ^{b)}	2011 (%)
Agriculture, forestry and fishing	0.3	0.3	0.4	0.4	0.1
Mining and quarrying	2.5	2.6	1.2	1.3	0.3
of which: Extraction of crude petroleum and natural gas	0.6	0.7	-0.1	0.2	0.0
Manufacturing	99.5	102.4	108.7	128.9	27.8
of which: Food products and beverages	13.8	15.5	15.4	18.2	3.9
Textiles and wearing apparel	1.0	2.0	1.9	2.3	0.5
Wood, paper, printing and reproduction	3.3	3.5	4.6	4.7	1.0
Coke and refined petroleum products	0.8	0.5	0.5	-0.4	-0.1
Chemicals	11.2	12.3	7.9	17.9	3.9
Pharmaceutical products	23.8	23.9	26.5	29.9	6.5
Rubber and plastic products	2.6	2.8	2.5	2.6	0.6
Basic metals and fabricated metal products	7.3	5.5	6.6	7.3	1.6
Computer, electronic and optical products	6.0	5.9	5.8	5.7	1.2
Machinery and equipment	3.1	2.1	2.3	2.7	0.6
Motor vehicles, trailers and semitrailers	4.8	5.0	7.8	7.3	1.6
Other transport equipment	-6.2	0.5	1.6	7.9	1.7
Electricity, gas, steam and air conditioning supply	3.4	4.9	4.8	7.0	1.5
Water supply, sewerage, waste management and remediation activities	0.2	0.5	0.4	0.3	0.1
of which: Water collection, treatment and supply	0.0	0.2	0.2	0.2	0.0
Construction	1.7	5.8	5.9	5.6	1.2
Wholesale and retail trade, repair of motor vehicles and motorcycles	24.6	14.8	19.4	11.6	2.5
of which: Wholesale trade	10.3	2.4	8.6	-1.8	-0.4
Retail trade	10.3	10.1	11.1	13.2	2.9
Transportation and storage	4.9	4.1	5.8	7.4	1.6
of which: Land transport and transport via pipeline	2.7	2.4	3.0	3.7	0.8
Water transport	1.3	0.1	1.1	1.9	0.4
Air transport	0.3	0.3	0.2	0.3	0.1
Warehousing and support activities for transportation	0.4	1.3	1.4	1.4	0.3
Accommodation and food service activities	5.6	7.4	6.1	6.8	1.5
Information and communication	22.6	20.8	22.4	15.0	3.2
of which: Motion pictures, video and television programme activities	2.6	3.0	2.8	2.8	0.6
Telecommunications	9.8	8.4	10.2	2.3	0.5
Financial and insurance activities	124.5	126.9	124.5	141.2	30.5
of which: Financial intermediation, except insurance and pension funding	91.1	92.9	92.9	105.5	22.8
of which: Activities of holding companies	53.3	48.2	45.4	56.1	12.1
Insurance	19.2	19.1	18.1	17.9	3.9
Real-estate activities ^{c)}	91.5	90.3	98.4	99.3	21.4
Professional, scientific and technical activities	10.2	15.2	20.3	20.0	4.3
of which: Legal and accounting activities	0.8	0.4	0.7	0.7	0.2
Activities of head offices; management consultancy activities	5.4	10.8	15.8	14.9	3.2
Architectural and engineering activities; technical testing and analysis	1.1	1.7	1.6	1.7	0.4
Scientific research and development	1.2	1.4	1.8	2.3	0.5
Advertising and market research	1.6	1.0	0.3	0.4	0.1
Administrative and support service activities	19.6	23.2	13.3	9.3	2.0
Education	0.4	0.9	0.4	0.4	0.1
Human health and social work activities	0.5	0.6	0.9	0.8	0.2
Arts, entertainment and recreation	0.7	0.8	0.8	0.7	0.1
Other service activities	0.3	0.1	0.3	0.3	0.1
Amounts not allocated	10.6	6.5	7.1	7.1	1.5
Total	423.5	428.1	441.1	463.4	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group.

a) The structure of direct investment stocks and flows by sector is determined according to the "NAF rév. 2" classification of activities. Intercompany lending included in these statistics was calculated according to the extended directional principle.

b) Estimates based on stocks at the end of 2010 and flows in 2011.

c) This item includes non-residents' investment in the French real-estate sector as well as non-residents' net purchases of French real-estate assets in the strictest sense.

STAT_4.9 **Stocks of outward direct investment at book value**

The top 25 outward investors at the end of 2011 by investment amount at book value

Resident investor groups (alphabetical order)	Investor groups' business activities
Air Liquide	Manufacture of chemicals and chemical products
Alcatel Lucent	Manufacture of computer, electronic and optical products
Alstom	Manufacture of machinery and equipment
AXA	Insurance
BNP Paribas	Financial service activities, except insurance and pension funding
BPCE – Banque populaire Caisse d'Épargne	Financial service activities, except insurance and pension funding
Carrefour	Retail trade
Compagnie de Saint-Gobain	Other manufacturing
Crédit Agricole SA	Financial service activities, except insurance and pension funding
Danone	Manufacture of food products and beverages
Électricité de France	Electricity, gas, steam and air conditioning supply
France Télécom	Telecommunications
GDF Suez	Electricity, gas, steam and air conditioning supply
Groupe Arnault (LVMH)	Textiles and wearing apparel
Michelin	Manufacture of rubber and plastic products
Pernod Ricard	Manufacture of food products and beverages
PPR	Retail trade
Renault	Manufacture of motor vehicles, trailers and semitrailers
Sanofi-Aventis	Manufacture of pharmaceutical products
Schneider Electric SA	Other manufacturing
Société Générale	Financial service activities, except insurance and pension funding
Société Lafarge	Other manufacturing
Total	Extraction of crude petroleum and natural gas
Veolia Environnement	Water collection, treatment and supply
Vivendi	Information and communication

STAT_4.10 **Stocks of inward direct investment at book value**

The top 25 inward investors at the end of 2011 by investment amount at book value

Foreign enterprises or groups (alphabetical order)	Country of origin	Foreign investor groups' business activities
Abertis	Spain	Land transport and transport via pipeline
Adecco SA	Switzerland	Administrative and support service activities
Allianz AG	Germany	Insurance
Assicurazioni Generali SPA	Italy	Insurance
ArcelorMittal	Luxembourg	Manufacture of metal products
Aviva Plc	United Kingdom	Insurance
Bayer AG	Germany	Manufacture of chemicals and chemical products
Bristol – Myers Squibb Company	United States	Manufacture of pharmaceutical products
Chartis	United States	Insurance
Crown International Holdings INC	United States	Real-estate activities
Dexia Banque	Belgium	Financial service activities, except insurance and pension funding
EADS	Netherlands	Other transport equipment
General Electric Company	United States	Other manufacturing
Holcim	Switzerland	Other manufacturing
HSBC	United Kingdom	Financial service activities, except insurance and pension funding
Kingfisher Plc	United Kingdom	Retail trade
Kraft Foods Inc	United States	Manufacture of food products and beverages
Mac Donald's Inc	United States	Restaurants
Merck KGaA	Germany	Manufacture of pharmaceutical products
Nestlé SA	Switzerland	Manufacture of food products and beverages
SAP AG	Germany	Software publishing
Solvay	Belgium	Manufacture of chemicals and chemical products
Unilever NV	Netherlands	Manufacture of food products and beverages
United Technologies	United States	Other transport equipment
Wolseley PLC	United Kingdom	Wholesale trade

STAT_4.11 **Portfolio investment asset stocks by issuer's country of residence and by type of securities**
Data from end of 2010 and end of 2011

(EUR billions)

	2010					2011				
	Equity securities	Bonds and notes	Short-term debt securities	Total	%	Equity securities	Bonds and notes	Short-term debt securities	Total	%
European Union (27 members)	328.3	1,115.4	173.3	1,617.0	77.4	261.0	1,016.2	116.9	1,394.0	76.2
Economic and Monetary Union (17 members)	269.3	952.0	129.5	1,350.7	64.6	223.8	841.7	81.7	1,147.2	62.7
of which: Germany	67.0	175.5	14.5	257.0	12.3	51.4	140.7	14.6	206.7	11.3
Austria	1.6	51.8	1.2	54.6	2.6	1.1	53.6	1.5	56.2	3.1
Belgium	7.5	57.1	10.6	75.1	3.6	8.6	60.0	10.8	79.4	4.3
Spain	19.1	141.3	28.9	189.3	9.1	16.3	127.2	8.0	151.5	8.3
Finland	5.2	12.4	1.2	18.8	0.9	2.7	9.1	0.6	12.4	0.7
Greece	0.8	31.8	0.3	32.9	1.6	0.4	10.3	0.1	10.7	0.6
Ireland	20.7	57.6	9.2	87.5	4.2	20.5	49.6	5.6	75.7	4.1
Italy	18.2	196.5	22.9	237.6	11.4	13.6	176.1	7.2	196.8	10.8
Luxembourg	99.9	21.0	5.4	126.3	6.0	86.6	22.8	2.3	111.6	6.1
Netherlands	27.0	165.1	31.3	223.3	10.7	20.7	166.7	29.9	217.3	11.9
Portugal	2.0	39.1	3.5	44.6	2.1	1.6	22.9	0.8	25.2	1.4
Other European Union countries	58.9	163.5	43.8	266.3	12.7	37.2	174.5	35.1	246.9	13.5
of which: Poland	1.9	3.6		5.5	0.3	0.8	3.7	0.1	4.6	0.3
Czech Republic	0.2	2.0		2.2	0.1	0.1	1.8	0.1	2.0	0.1
Romania	0.0	0.1	0.0	0.1	0.0	0.0	0.2	0.0	0.2	0.0
United Kingdom	50.7	103.2	33.3	187.2	9.0	31.7	105.0	20.2	156.9	8.6
Sweden	3.6	18.7	8.0	30.3	1.5	2.6	19.3	13.3	35.2	1.9
Other industrialised countries (8)	98.9	163.2	47.1	309.2	14.8	69.9	164.6	67.0	301.4	16.5
of which: United States	52.3	109.7	2.6	164.6	7.9	36.4	117.9	6.0	160.3	8.8
Japan	14.6	11.4	42.8	68.8	3.3	9.5	9.7	58.0	77.2	4.2
Switzerland	19.5	0.5	0.6	20.6	1.0	15.0	0.7	1.4	17.1	0.9
Rest of world	81.6	78.9	3.7	164.2	7.9	59.7	71.9	1.8	133.4	7.3
of which: Netherlands Antilles	3.1	30.4	0.2	33.7	1.6	2.4	22.3	0.0	24.7	1.4
Bermuda	3.7	1.7		5.5	0.3	2.5	1.2		3.8	0.2
Brazil	6.7	1.9	0.0	8.6	0.4	4.5	1.4	0.0	6.0	0.3
China	8.2	0.2	0.0	8.4	0.4	7.7	0.2	0.2	8.1	0.4
South Korea	5.3	4.4	0.1	9.9	0.5	3.0	2.9		5.9	0.3
Cayman	15.2	16.8	0.1	32.1	1.5	11.3	16.1	0.0	27.4	1.5
India	5.5	0.6		6.1	0.3	2.1	0.6	0.0	2.7	0.1
Jersey	6.2	5.0	1.2	12.3	0.6	3.5	5.3	0.6	9.4	0.5
Russia	3.8	0.2		4.0	0.2	3.4	0.1	0.1	3.7	0.2
Turkey	1.1	1.3	0.0	2.4	0.1	0.3	1.9		2.2	0.1
Total	508.7	1,357.5	224.1	2,090.4	100.0	390.6	1,252.7	185.7	1,828.9	100.0

Note: See "Definition of geographical areas" in Appendix II-C.

STAT_4.12 **Assets**
by issuing zone, type of instrument and currency

(EUR billions)

	2009			2010			2011		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Euro area issuers	1,288.5	47.2	1,335.7	1,293.3	57.4	1,350.7	1,094.2	53.0	1,147.2
Equity securities and mutual funds	219.9	26.3	246.2	231.3	38.0	269.3	193.7	30.1	223.8
Equity securities	137.6	10.6	148.2	142.2	17.9	160.1	114.9	13.4	128.3
Mutual fund shares/units	82.3	15.7	98.0	89.1	20.1	109.3	78.8	16.6	95.4
Bonds and notes	950.4	19.2	969.5	933.4	18.5	952.0	819.7	22.0	841.7
Treasury notes maturing at more than one year	46.3	0.0	46.3	54.5	0.0	54.5	43.7	0.0	43.7
Other bonds	904.1	19.2	923.2	879.0	18.5	897.5	776.1	22.0	798.0
Short-term debt securities	118.3	1.7	120.0	128.5	0.9	129.5	80.8	0.9	81.7
Treasury notes maturing at less than one year	26.7	0.0	26.7	34.7	0.0	34.8	13.9	0.5	14.5
Other short-term debt securities	91.6	1.7	93.3	93.8	0.9	94.7	66.9	0.4	67.3
Issuers outside the euro area	373.9	340.3	714.2	366.1	373.6	739.6	343.9	337.8	681.8
Equity securities and mutual funds	31.3	171.0	202.3	29.9	209.5	239.4	20.6	146.3	166.9
Equity securities	8.2	156.6	164.8	7.8	193.8	201.6	6.0	133.9	139.9
Mutual fund shares/units	23.1	14.4	37.4	22.1	15.7	37.8	14.6	12.4	27.0
Bonds and notes	276.2	117.2	393.4	294.1	111.5	405.6	283.8	127.2	411.0
Treasury notes maturing at more than one year	0.1	1.2	1.3	0.1	9.7	9.7	0.0	7.0	7.0
Other bonds	276.0	116.0	392.1	294.0	101.8	395.9	283.7	120.2	404.0
Short-term debt securities	66.5	52.1	118.5	42.0	52.6	94.6	39.6	64.3	103.9
Treasury notes maturing at less than one year	0.0	50.9	50.9	0.0	46.9	46.9	0.1	61.8	61.9
Other short-term debt securities	66.4	1.2	67.6	42.0	5.7	47.8	39.6	2.5	42.0

STAT_4.13 Resident MFIs' loans and deposits in euros and foreign currencies

(EUR billions)

	2009			2010			2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
Euro	655.4	-701.3	-45.9	730.4	-760.7	-30.3	746.3	-766.3	-20.0
Vis-à-vis the euro area	400.7	-287.9	112.8	419.5	-307.8	111.7	417.2	-300.9	116.3
Vis-à-vis countries outside of the euro area	254.7	-413.4	-158.7	310.9	-452.9	-142.0	329.1	-465.4	-136.3
Foreign currencies	334.9	-495.9	-161.0	392.8	-537.9	-145.1	458.8	-368.1	90.7
Vis-à-vis the euro area	37.1	-39.3	-2.2	41.1	-54.5	-13.4	45.2	-48.9	-3.7
Vis-à-vis countries outside of the euro area	297.9	-456.6	-158.7	351.7	-483.4	-131.7	413.6	-319.2	94.4
Total	990.3	-1,197.2	-206.9	1,123.2	-1,298.6	-175.4	1,205.1	-1,134.4	70.7

STAT_4.14 Resident MFIs' loans and deposits by counterparty's sector

(EUR billions)

	2009			2010			2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
Interbank market	792.4	-1,036.8	-244.4	908.8	-1,114.4	-205.5	972.0	-964.6	7.4
Euro	546.4	-598.3	-51.9	625.8	-642.5	-16.7	625.9	-655.4	-29.5
Foreign currencies	246.0	-438.6	-192.5	283.0	-471.9	-188.9	346.1	-309.2	36.9
Monetary authorities	16.8	-63.4	-46.6	6.5	-78.4	-71.8	6.9	-57.8	-50.9
Euro	13.0	-37.1	-24.1	2.7	-46.3	-43.6	5.0	-31.7	-26.7
Foreign currencies	3.8	-26.3	-22.5	3.8	-32.0	-28.2	2.0	-26.1	-24.2
Other sectors	181.1	-97.0	84.1	207.8	-105.9	101.9	226.2	-112.0	114.2
Euro	96.0	-66.0	30.1	101.9	-71.9	30.0	115.4	-79.2	36.2
Foreign currencies	85.1	-31.0	54.1	105.9	-34.0	71.9	110.8	-32.8	78.0
Total	990.3	-1,197.3	-206.9	1,123.2	-1,298.6	-175.4	1,205.1	-1,134.4	70.7

STAT_4.15 Geographical structure of resident MFIs' loans and deposits

(EUR billions)

	2009			2010			2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
European Union (27 members)	710.7	-697.5	13.2	785.4	-744.3	41.1	749.3	-748.3	1.0
Economic and Monetary Union (17 members)	437.8	-327.2	110.6	460.6	-362.3	98.3	462.4	-349.9	112.6
of which: Germany	62.3	-101.2	-38.9	68.7	-127.0	-58.3	71.3	-104.3	-33.0
Belgium	34.2	-34.1	0.1	35.4	-36.4	-1.0	44.1	-50.7	-6.6
Spain	83.6	-26.1	57.5	67.3	-13.6	53.8	63.0	-15.5	47.5
Ireland	24.2	-22.9	1.2	27.7	-20.4	7.3	31.0	-29.4	1.6
Italy	102.3	-30.1	72.2	123.4	-27.8	95.6	116.9	-33.5	83.4
Luxembourg	57.2	-71.5	-14.2	59.2	-83.9	-24.7	67.6	-71.8	-4.2
Netherlands	33.2	-26.4	6.8	40.5	-29.9	10.6	40.8	-29.2	11.6
Other European Union countries	273.0	-370.3	-97.4	324.8	-381.9	-57.1	286.9	-398.4	-111.5
of which: Poland	5.6	-1.4	4.2	6.9	-2.2	4.7	5.9	-1.3	4.6
Czech Republic	1.6	-0.8	0.8	1.6	-2.0	-0.4	0.9	-0.8	0.1
Romania	2.4	-0.1	2.3	2.5	-0.1	2.4	3.5	-0.1	3.4
United Kingdom	241.2	-345.1	-103.9	290.4	-357.7	-67.3	263.2	-373.8	-110.6
Sweden	3.7	-1.0	2.6	3.7	-1.1	2.5	2.6	-1.0	1.7
Autres pays industrialisés	122.7	-236.8	-114.1	138.9	-264.3	-125.4	214.8	-167.8	47.0
of which: United States	53.4	-171.7	-118.3	59.4	-190.4	-131.0	126.1	-95.1	31.0
Switzerland	26.5	-38.3	-11.9	25.6	-35.3	-9.7	24.3	-34.6	-10.3
Japan	28.1	-17.5	10.6	36.2	-22.0	14.1	50.8	-24.8	26.0
Reste du monde	156.8	-262.8	-106.0	198.9	-290.0	-91.1	241.0	-218.3	22.7
of which: Brazil	3.1	-0.8	2.3	4.1	-1.2	2.9	5.4	-0.4	5.0
China	3.1	-3.0	0.0	3.7	-5.8	-2.0	7.7	-4.3	3.5
India	1.6	-0.1	1.5	1.6	-0.1	1.5	1.9	-0.1	1.8
Russia	9.5	-4.6	4.9	10.2	-5.7	4.6	10.8	-2.4	8.4
Turkey	5.1	-1.4	3.7	7.8	-0.6	7.2	7.8	-1.2	6.6
Offshore financial centres	63.4	-191.5	-128.1	93.1	-200.8	-107.7	131.0	-152.6	-21.6
Total	990.3	-1,197.2	-206.9	1,123.2	-1,298.6	-175.4	1,205.1	-1,134.4	70.7

Note: See "Definition of geographical areas" in Appendix II-C

STAT_4.16 The Banque de France's assets and liabilities vis-à-vis non-residents (excluding banknotes and coins)

(EUR billions)

	Stocks at end of year			
	2009	2010	2011	Change 2011/2010
Assets	247.0	299.1	324.3	25.2
Investment in institutional customers' securities	119.0	122.8	145.1	22.3
Securities issued by euro area residents outside France	68.1	77.5	83.9	6.4
Euro	60.8	71.3	79.0	7.7
Foreign currencies	7.3	6.2	4.9	-1.3
Securities issued by non-residents of the euro area	50.9	45.3	61.2	15.9
Euro	5.9	3.7	3.9	0.2
Foreign currencies	45.0	41.6	57.3	15.7
Other assets	35.6	51.8	46.1	-5.7
Other claims on euro area residents outside France	0.4	15.8	7.2	-8.6
Euro	0.4	15.8	6.8	-9.0
Foreign currencies	0.0	0.0	0.4	0.4
Other claims on non-residents of the euro area	26.2	26.8	29.4	2.6
Euro	0.0	4.1	6.7	2.6
Foreign currencies	26.2	22.7	22.7	0.0
Claim on the ECB for transferred reserve assets	8.2	8.2	8.2	0.0
Equity in the ECB	0.8	1.0	1.3	0.3
Reserve assets	92.4	124.5	133.1	8.6
Liabilities	-174.7	-151.3	-223.0	-71.7
Liabilities toward the ESCB (TARGET)	-62.0	-28.3	-77.4	-49.1
Deposits of foreign institutional customers	-112.7	-122.9	-145.6	-22.7
Euro	-22.3	-20.0	-18.7	1.3
Foreign currencies	-90.4	-102.9	-126.9	-24.0
Position	72.3	147.8	101.3	-46.5
Of which: position excluding reserve assets	-20.1	23.3	-31.8	-55.1

STAT_4.17 General government sector assets and liabilities (excluding credit insurance)
vis-à-vis non-residents

(EUR billions)

	Stocks at end of year		
	2009	2010	2011
Assets	26.1	31.3	41.6
<i>Euro</i>	13.7	17.7	27.3
<i>Foreign currencies</i>	12.4	13.5	14.3
Equity in international organisations	14.6	15.4	16.1
Long-term assets	11.2	15.0	24.6
Short-term assets	0.4	0.9	0.9
Liabilities	- 20.2	- 20.5	- 24.3
<i>Euro</i>	- 20.2	- 20.5	- 24.3
<i>Foreign currencies</i>	0.0	0.0	0.0
Long-term liabilities	- 5.6	- 6.1	- 9.1
Short-term liabilities	- 14.6	- 14.4	- 15.2
Position	5.8	10.7	17.2
<i>Euro</i>	- 6.5	- 2.8	2.9
<i>Foreign currencies</i>	12.4	13.5	14.3

STAT_4.18 Deposits and loans of resident enterprises, investment firms
and mutual funds other than money market funds vis-à-vis non-residents

(EUR billions)

	Stocks at end of year								
	2009			2010			2011		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Assets	38.5	14.0	52.5	38.1	16.0	54.2	58.6	24.3	83.0
Enterprises and insurance companies	34.9	10.2	45.1	33.4	10.4	43.8	53.1	20.3	73.4
Investment companies	3.0	3.7	6.8	3.6	5.5	9.2	3.4	3.8	7.1
Mutual funds other than money market funds	0.5	0.1	0.6	1.1	0.1	1.2	2.2	0.3	2.4
Liabilities	-68.6	-21.4	-90.0	-70.5	-27.8	-98.2	-76.5	-26.6	-103.1
Enterprises and insurance companies	-58.7	-7.9	-66.5	-58.8	-15.9	-74.7	-60.3	-16.7	-77.0
Investment companies	-9.7	-12.4	-22.0	-11.1	-11.8	-22.9	-14.2	-9.8	-24.0
Mutual funds other than money market funds	-0.3	-1.1	-1.4	-0.6	-0.1	-0.7	-2.0	0.0	-2.1
Position	-30.2	-7.3	-37.5	-32.3	-11.7	-44.1	-17.9	-2.2	-20.1



APPENDICES • PART II
METHODOLOGY

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APPENDIX II-A

METHODOLOGICAL NOTES ON FRANCE'S BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

1 | FRANCE'S BALANCE OF PAYMENTS

1|1 Definition

The balance of payments is a statistical document that compiles and organises all of the economic and financial transactions of the economy of a country or of a monetary area with the rest of the world over a given period.

The balance of payments is presented according to double-entry accounting rules. This means that it is always in balance; each financial or non-financial transaction with a non-resident has a financial counterpart, which is a change in assets or liabilities vis-à-vis non-residents. In the simplest case, an export or the sale of securities by residents has its counterpart in an increase in their liquid assets (such as residents' deposits with non-resident banks) or a decrease in their liabilities (such as the repayment of advances previously received from non-resident banks).

1|2 Objective

The national balance of payments is used to assess France's position in its external environment, to identify any emerging imbalances, to understand how these imbalances are financed by the rest of the world (when capital outflows are greater than capital inflows) or invested in the rest of the world (in the opposite case). The balance of payments is a key component of national statistics. Several items from the balance of payments are used to compile the national aggregates (such as exports and imports in GDP, current account transactions in national income, changes in France's international assets and liabilities in the financial account). France's balance of payments is incorporated into that of the euro area within the Monetary Union.

1|3 Institutional organisation

Article 141-6 of the *Monetary and Financial Code* (Act 2007-212 of 20 February 2007) mandates the Banque de France to compile France's balance of payments and international investment position, granting the Bank the power to ask all economic and financial agents to provide it with any documents or information that it needs. In operational terms, the Balance of Payment Directorate and the Survey and sectoral statistics Directorate of the Banque de France's Directorate General of Statistics compile the balance of payments.

A simplified balance of payments is compiled on a monthly basis. More detailed revised data, as well as the international investment position data, are published every quarter. The balance of payments and the international investment position are revised over the last three years when the *Annual Report* is published.

The balance of payments and international investment position statistics are forwarded to the Ministry of the Economy, Finance and Foreign Trade, and to international organisations, such as the International Monetary Fund (IMF), Eurostat, the Organisation for Economic Cooperation and Development (OECD) and the European Central Bank (ECB). They are used, among other things, to compile the balance of payments and international investment position of the euro area. The European Commission uses several indicators taken from balance of payments statistics to perform its new task of monitoring imbalances as part of the implementation of the European "package" adopted by the Council of the European Union on 8 November 2011 with the aim of improving economic governance in the European Union.

1|4 Sign conventions

Traditionally, the balance of payments is presented from the point of view of the Nation, unlike the national accounts, where transactions between France and the rest of the world are presented from the point of view of the “rest of the world” agent.

By convention, a positive number (credit) corresponds to an export or a receipt in real transactions, meaning trade in goods and services and income payments. A negative number (debit) represents an import or a payment. In the financial account, a positive number represents a decrease in assets or an increase in liabilities. A negative number represents an increase in assets or a decrease in liabilities. This means that a negative number for reserve assets signifies an increase in reserves. A positive sign means a capital inflow and a negative sign means a capital outflow in both real transactions and financial transactions. By construction, the sum of transactions with a positive sign is equal to the sum of transactions with a negative sign, notwithstanding errors and omissions.

1|5 Balance of payments structure and classification

As defined by the 5th edition of the *IMF Balance of Payments Manual* and in accordance with the system of national accounts, the classification of the balance of payments covers:

- the current account, which is divided into goods, services, income and current transfers;
- the capital account, which records capital transfers — debt forgiveness, loan losses, investment grants —, and acquisition and disposal of non-produced, non-financial assets (patents, trademarks, copyrights, etc.);
- and the financial account, which is divided into direct investment, portfolio investment (securities transactions, other than those classified as direct investment, reserve assets and financial derivatives), financial derivatives, “other investment” (deposits and loans that do not involve securities transactions) and reserve assets.

Except for reserve assets, direct investment and financial derivatives, all of the main components are subdivided into assets and liabilities and then broken down by the type of transaction or instrument and then by the resident sector concerned,¹ except in the case of “other investment”, which presents the sector first and then the type of transaction.

The “net errors and omissions” item is a balancing item that exists because, unlike an actual double-entry accounting system, debits and credits in the balance of payments are not recorded simultaneously for each transaction. Instead they are recorded from reports and surveys using different sources. The net errors and omissions reflect statistical discrepancies stemming from uncertainty about coverage ratio of certain data sources, time lags, methodological differences, etc. In the medium term, errors and omissions tend to cancel each other out.

2| FRANCE’S INTERNATIONAL INVESTMENT POSITION

The purpose of France’s international investment position is to present a balance sheet of residents’ claims on non-residents and liabilities to non-residents. Claims or assets are shown with a positive sign and debts or liabilities are shown with a negative sign. The international investment position gives an indication of the amounts and structure of residents’ financial net worth in terms of foreign assets and non-residents’ financial net worth in terms of French assets.

In line with the recommendations made in the 5th edition of the *IMF Balance of Payments Manual*, and as for the balance of payments financial account, the international investment position is presented by the nature of France’s external assets and liabilities:

- direct investment;
- portfolio investment;
- financial derivatives;
- other investment;
- reserve assets.

Changes in the international investment position between two dates are due to balance of payments flows, variations in exchange rates, variations in prices and other variations (including reclassification of assets and liabilities, changes in methodology and statistical discrepancies between two reporting dates).

France’s international investment position is valued at both book value and market value. The differences between the two measurements stem from the valuation procedure used for direct investment stocks.

¹ Monetary authorities, general government, monetary financial institutions, other sectors; see definitions in Appendix II-B.

- **Direct investment stocks at book value**

The book value of stocks is the value that enterprises report in their financial statements. In the case of outward direct investment, this value is shown in the tables recording subsidiaries and affiliates that are appended to companies' annual financial statements. In the case of inward direct investment, this value is shown on the balance sheets of resident companies affiliated with non-resident direct investors. The investment amount is calculated by multiplying the direct investor's stake in the direct investment enterprise by the value of the company's equity. This amount is then used to compile the final figures, which are published eighteen months after the reporting date in principle. The estimated figures for both outward and inward direct investment are derived from the most recent available accounting

data, along with the direct investment flows in the balance of payments.

- **Direct investment stocks at market value**

Stocks of outward and inward direct investments at market value apply to equity and real-estate only and are estimated jointly with national accounts staff. Only aggregated stocks at market value are disseminated. Consequently, no breakdowns by company, country or sector are available.

The use of similar information sources and the same concepts for the balance of payments and for the international investment position reflects the determination to facilitate switching between the two sets of statistics and coming up with a coherent analysis of both aggregates.

See also:

<http://www.banque-france.fr/economie-et-statistiques/base-de-donnees/methodologie/methodologie-de-la-balance-des-paiements-et-de-la-position-exterieure-de-la-france.html>

APPENDIX II-B

KEY CONCEPTS

1 | RESIDENTS/NON-RESIDENTS

The basic criterion is the country of residence of economic agents, as distinct from their nationality. For the purposes of the balance of payments, residents and non-residents are defined as follows:

■ Residents

- individual persons having their predominant centre of interest in France, regardless of their nationality, except for foreign civil servants and military personnel assigned to France, who remain non-residents;
- civil servants and other French government employees posted to other countries or seconded to international organisations or other non-resident employers;
- French and foreign legal entities, for their establishments in France, except for foreign diplomatic missions and international organisations based in France, when there is a real economic activity carried out in France by autonomous production units, regardless of their legal form (subsidiary, branch, agency, office, etc.)

■ Non-residents

- foreign and French individuals who live abroad, meaning who are actually located abroad, with the exception of French diplomatic missions and French civil servants posted abroad;

² The other overseas communities (French Polynesia, Wallis and Futuna) and New Caledonia, which are not legally members of the European Union or the euro area, are excluded from France's balance of payments statistics. Furthermore, the two largest communities, meaning French Polynesia and New Caledonia have their own individual balance of payments compiled by the overseas bank-note-issuing institution (Institut d'Emission d'outre-mer).

- foreign and French legal entities, for their establishments abroad, when they have a real economic activity performed abroad by production units that are also autonomous, regardless of their legal form.

2 | FRANCE/ABROAD

For the purposes of the definitions above, "France" means:

- the Départements in metropolitan France,
- the Principality of Monaco,
- the overseas Départements (Guadeloupe, French Guyana, Martinique, Réunion, Mayotte),
- overseas communities of Saint-Barthélemy, Saint-Martin and Saint-Pierre-et-Miquelon.²

All other countries, territories and institutions constitute "abroad". In particular, the European Central Bank (ECB) is part of "abroad".

3 | RESIDENT ECONOMIC SECTORS

The amounts recorded in the balance of payments for current transfers, portfolio investment and other investment are classified according to the institutional sector of the resident party to the transaction. Portfolio investment assets are also broken down by the sectors of non-resident issuers. In every instance, the sectors are:

- **monetary authorities**, meaning the Banque de France;
- the **general government** sector, which covers central government, various central administration bodies, local governments and social security organisations;

- the **monetary financial institutions** (MFI) sector, excluding the central bank, includes resident credit institutions, as defined in European legislation, and all other resident financial institutions in the business of taking deposits or close substitutes for deposits from entities other than MFIs and granting loans and/or investing in securities on their own account (at least in economic terms). The Caisse des dépôts et consignations, money market funds and the Caisse nationale d'Épargne are part of the MFI sector. Payment institutions are not part of this sector;
- the **"other sectors"**, which record transactions by economic agents other than those included in the three previous sectors: non-financial corporations, insurance companies, non-monetary financial institutions, such as investment companies and non-money market funds, households and unincorporated enterprises and non-profit institutions serving households.

4 | MATURITIES: LONG TERM/SHORT TERM

As is the case in the system of national accounts, long-term means initial maturities of more than one year and short-term means initial maturities of one year or less.

5 | CURRENT ACCOUNT

Except for some methodological differences, the current account balance corresponds to the net lending of the Nation in the system of national accounts.³

■ Trade in goods

Trade in goods is evaluated on the basis of foreign trade statistics from the Directorate General of Customs and Excise, supplemented by transactions relating to goods procured in ports by carriers and goods sent for processing and repairs.

■ Trade in Services

Services constitute the second main category of current transactions. Unlike goods, where production and marketing are clearly separate activities, trade in services is closely linked to their production. This trade is measured using periodic reports filled in by certain companies and financial intermediaries that do a lot of international business and supplemented with surveys of other service providers. Trade in services also covers travel.

■ Travel

The "travel" item under trade in services records the spending of individuals while travelling abroad.

- Travel receipts record spending in France by non-resident individuals staying less than one year in France, along with spending for personal services (healthcare, tuition, etc.) purchased from residents.
- Travel payments record similar spending by residents abroad.
- Transport receipts and payments for international travel are not recorded under this item, but under transport services instead. On the other hand, travel does include domestic transport used by non-residents and domestic transport used by residents abroad.

■ Income

Income is divided into compensation of employees and investment income.

- **Compensation of employees** includes salaries, wages and other benefits, in cash or in kind, paid by non-resident employers to their resident employees (border workers, seasonal workers and short-term employees) and vice-versa.
- **Investment income** corresponds to receipts or payments relating to external financial assets and liabilities. They are broken down by the nature of the related financial transactions: direct investment income, income from portfolio investment and other investment income (see below for a definition of the financial account items).

Dividends (income from equity securities) are recorded on the date that they are paid and interest (income from debt securities) is recorded on an accrual basis.

Direct investment income includes in particular reinvested earnings, which, by definition, do not give rise to payments between residents and non-residents, but are still recorded as income, along with a counterpart as direct investment in the financial account.

³ The balance of payments is currently compiled according to the 5th edition of the IMF Balance of Payments Manual and the system of national accounts follows the 1995 European System of Accounts (ESA 95). These manuals were reviewed to produce the 6th edition of the IMF Balance of Payments Manual and the 2010 European System of Accounts, which ensure greater consistency between the two types of statistics.

■ Current transfers

Current transfers are the accounting counterpart to goods, services and capital, exported or imported for free or without any apparent or measurable counterpart. They are broken down by sector.

- **General government transfers** include:
 - international cooperation;
 - France's contributions to cover the spending of international organisations;
 - receipts and payments from and to foreign general government sectors under the terms of tax agreements;
 - social security payments to non-resident workers and former workers and their heirs;
 - transactions with European organisations, excluding assistance to France from the European Regional Development Fund (ERDF) and the European Agricultural Guidance and Guarantee Fund, Guidance Section, which are recorded as capital transfers, in accordance with international methodology.
- **Transfers from other sectors** are broken down into two items:
 - workers' remittances, which record the amounts that resident workers transfer abroad and vice versa; such transfers are generally made by residents of foreign origin to their countries of origin or by non-residents of French origin or nationality to France;
 - other transfers, which include a wide variety of transactions, such as humanitarian grants and donations to individuals and legal entities, subsidies and grants, severance payments, guarantees and compensation for damages, and literary, artistic and scientific prizes.

6 | CAPITAL ACCOUNT

The capital account records capital transfers, meaning transactions involving transfers of ownership of fixed assets or cancellation of liabilities by creditors without any counterparts being received in return and acquisitions and disposals of non-produced, non-financial assets.

■ Capital transfers

Capital transfers are broken down into debt forgiveness and other transfers:

- **debt forgiveness** is broken down by the sector of the resident debtor or creditor. Debt forgiveness granted by the French general government sector to a foreign country is a transfer to a non-resident agent. Accordingly, it is recorded as a debit from the capital account. On the other hand, the debt forgiveness decreases the general government assets and is therefore recorded as a credit to the financial account under "other investment";
- **other transfers** cover investment grants received from or paid to foreign countries as part of development assistance, along with transfers of migrants' personal and real property when their residence status changes. Transfers made to the French general government sector come mainly from European institutions (ERDF).

■ Acquisitions and disposals of non-produced, non-financial assets

These transfers involve intangible assets, such as patents, copyrights, brands, etc., bought and sold by residents from and to non-residents.

7 | FINANCIAL ACCOUNT AND INTERNATIONAL INVESTMENT POSITION

■ Direct investment

Direct investment covers investors' transactions to acquire or dispose of a lasting interest in an enterprise and to increase or dispose of influence over its management. Therefore, the notion of direct investment is broader than that of control.

The convention is that a direct investment relationship exists when an individual or a legal entity (direct investor) holds at least 10% of the voting rights or, failing that, 10% of the equity of the "invested" firm.

Direct investment creates relationships between affiliated enterprises, meaning:

- a "direct investor" (parent company) and one or more direct investment enterprises, which may be branches, subsidiaries or other affiliated enterprises;
- mutually "invested" firms (fellow enterprises).

Direct investment is broken down by the type of transactions.

- **Real-estate investment and equity transactions**

Real-estate investments and equity transactions include purchases of buildings and new investments, acquisitions or expansion of enterprises in the form of acquisitions of securities or production assets, equalisation subsidies and loan consolidation.

- **Reinvested earnings**

Reinvested earnings are the share of current net income from direct investment enterprises attributable to the parent company for an accounting period, minus dividends paid to the parent company during the same period.

- **Other transactions**

The other transactions item covers short- and long-term loans, advances and deposit transactions between affiliated enterprises, with the exception of trade credits and credits and deposits between resident banks and their foreign correspondents, which are classified as "other investment".

The geographical structure of direct investment flows and stocks presented in this *Annual Report* on the French balance of payments and international investment position is determined after applying the **extended directional principle**. According to this principle, which is currently applied to supplement the conventional presentation and which will become the international standard as of 2014, when the sixth edition of the *IMF Balance of Payments Manual* (BPM6) takes effect, lending between fellow enterprises belonging to the same international group is no longer classified according to the direction of the loan, but according to the residence of the parent company of the group. This method, which offsets cross-border flows and stocks within individual groups, leads to a substantial reduction in the overall volume of outward and inward direct investment flows and stocks compared to the data compiled according to the conventional methodology defined in the fifth edition of the *IMF Balance of Payments Manual*. The direct investment flows and stocks aggregates are thus more meaningful.

■ Portfolio investment

Portfolio investment covers all transactions in negotiable securities between residents and non-residents, including purchases of new issues, trading and redemptions, other than transactions included in direct investment, reserve assets, financial derivative futures or repurchase transactions. Unsecured loans of securities that do not generate any movements of money are not recorded in the balance of payments.

Flows are estimated by means of a quarterly survey of custodians. They are broken down into assets (residents' transactions in securities issued by non-residents) and liabilities (non-residents' transactions in securities issued by residents). Both of these items are then broken down by the type of securities traded:

- **equity securities and mutual fund shares;**

- **bonds and notes**, meaning debt securities with an initial maturity of more than one year;

- **short-term debt securities**, with a maturity of one year or less.

The flows for each category of instrument are then broken down by the resident sector holding them (for assets) or issuing them (for liabilities).

The securities position records stocks of foreign securities held by residents (assets) and stocks of French securities held by non-residents (liabilities) at market value (including accrued interest for fixed-income securities). Like flows, stocks of assets and liabilities are broken down by the type of securities and the resident sector holding or issuing them.

The geographical structure of flows and stocks is determined by the country of residence of the issuer for assets and by the country of residence of the first known non-resident counterparty for liabilities.

■ Financial derivatives

This item includes premiums on options and futures bought and sold by resident banks and other sectors, margin calls, adjustment payments and interest payments on swaps.

Stocks of financial derivatives are recorded at market value.

■ Other investment

Other investment is a residual item that covers all of the transactions with non-residents in financial assets and liabilities that are not covered under another financial account item.

They are broken down into residents' assets and liabilities vis-à-vis non-residents. Then, they are broken down by the type of transaction (trade credits, loans and deposits, other assets and liabilities). Finally, they are broken down by the sectors of the resident debtors or creditors.

■ Reserve assets

Reserve assets are external assets held by monetary authorities. Since the creation of the euro area, France's balance of payments records only transactions in the foreign exchange reserves that have not been transferred to the ECB and are still managed by the Banque de France. Furthermore, the countries belonging to the Monetary Union have adopted a common methodology under which only claims on non-residents outside of the euro area are recorded, which means that this item excludes foreign currencies deposited with non-resident banks located inside the euro area.

Reserve assets are made up of gross assets in monetary gold and foreign currencies, including securities issued by non-residents, special drawing rights (SDRs) and France's net position in the IMF.

■ Errors and omissions

The errors and omissions item is by construction equal to the sum of the balances on the financial account, the capital account and the current account, but with the opposite sign. It is a residual item that adjusts for the discrepancies stemming from the variety of data sources and valuation methods used in compiling the balance of payments.

APPENDIX II-C

DEFINITION OF GEOGRAPHICAL ZONES

European Union member countries (at 31 December 2011)

Austria*	Latvia
Belgium *	Lithuania
Bulgaria	Luxembourg *
Cyprus *	Malta *
Czech Republic	Netherlands *
Denmark	Poland
Estonia *	Portugal *
Finland *	Romania
France *	Slovakia *
Germany *	Slovenia *
Greece *	Spain *
Hungary	Sweden
Ireland *	United Kingdom
Italy *	

The European Union includes the countries listed above, along with the European Union institutions (European Investment Bank, European Development Fund and other European Community institutions).

As of 31 December 2011, the Economic and Monetary Union had 17 member countries (denoted by *), along with the European Central Bank.

The geographical zones are defined in the standard lists drawn up by Eurostat.

Other industrialised countries

Australia	New Zealand
Canada	Norway
Iceland	Switzerland
Japan	United States

.../...

Offshore financial centres

American Virgin Islands	Lebanon
Andorra	Liberia
Anguilla	Liechtenstein
Antigua-and-Barbuda	Maldives **
Aruba *	Marshall Islands
Bahamas	Mauritius *
Bahrain	Montserrat
Barbados	Nauru
Belize	Netherlands Antilles **
Bermuda	Niue
British Virgin Islands	Panama
Cayman Islands	Philippines
Cook Islands	Saint Lucia
Curacao *	Saint-Kitts-and-Nevis
Dominica	Saint-Vincent and the Grenadines
Gibraltar	Samoa
Grenada	Sint-Marteen *
Guernsey	Seychelles *
Hong Kong	Singapore
Isle of Man	Turks and Caicos Islands
Jamaica **	Vanuatu
Jersey	

* Newly included centres in 2011

** Centres no longer included as of 2010

APPENDIX II-D

IMPROVING FRANCE'S BALANCE OF PAYMENTS STATISTICS: RECENT INITIATIVES AND OUTLOOK

Because of the 2007 financial crisis and its aftermath, the balance of payments provides vital points of reference, as a statistical document that records the transactions between an economy and the rest of the world within a coherent framework.

However, the measurement of transactions needs to be reviewed on a regular basis. Trade and financial transactions are constantly evolving, with the arrival of new players, the disappearance or transformation of others, changing transaction procedures and diversification of the instruments used for cross-border payments.

Each change in the environment requires adaptations that are also opportunities to introduce solutions that improve the quality of the statistics and opportunities to establish systems that facilitate reporting entities' compliance with their statistical obligations.

This chapter presents the main changes occurring in 2011 in the compilation of balance of payments and international investment position statistics, with a new services survey, a new methodology for estimating workers' remittances, a new way of collecting data from financial intermediaries on financial derivatives transactions.

Some of the receipts and payments items from 2010 and 2009 have been revised substantially. However, the impact on the overall balance is limited. The services other than travel item saw the largest revisions, with 36 billion euros for receipts and 29 billion for payments. This means that the revised balance was increased by some 6 billion. The payments stemming from outward workers' remittances were increased by more than 6 billion. Assets and liabilities in financial derivatives increased sharply as a result of the new way of collecting data from financial intermediaries. However, the impact on the net balance of these transactions and, by extension on the international investment position, was quite moderate.

1 | THE NEW SUPPLEMENTARY SURVEY ON INTERNATIONAL TRADE IN SERVICES (ECEIS)

Services account for a growing share of the national economy, rising from 70% of value added in 2000 to 77% in 2010. Even though services generate fewer international transactions than goods, since services are often consumed at the same time and the same place as they are produced, it is still crucial to evaluate the share of service activities resulting from international trade.

The amounts shown for the services items in the balance of payments are based on data collected from companies subject to the general direct reporting requirement (DDG). The companies subject to this requirement have been selected because of the scale of their international business. They contribute for nearly 50 billion to services imports and for some 60 billion to exports. They are large companies from all sectors.

However, any company is likely to engage in international transactions, including smaller companies. In view of the burden that mandatory reporting of all cross-border transactions would impose, other solutions have now been implemented.

Up until 2010, the retail payment systems of the different countries in the euro area were still organised on a national basis. This made it possible to single out cross-border transactions in such systems. The Banque de France obtained supplementary information from the "payment summary statements" (CRP) filled in by banks.

The Single Euro Payment Area (SEPA) was established to improve the fluidity of payments in the euro area and reduce the associated costs. This system makes it just as easy to make a payment between two euro area countries

as it is to make a domestic payment, regardless of the amount. The technical standards and systems designed for this purpose mean that there is no longer any reason for a cross-border payment to be singled out. Thus, the supplementary information on cross-border transactions that had previously been obtained indirectly from banks by means of the payment summary statements is no longer available.

Consequently, a new data source has been used since 1 January 2011, which provides data that supplement the data provided by companies subject to the general direct reporting requirement. This new source is an annual survey of resident non-financial corporations exporting or importing services that are not subject to the general direct reporting requirement. This survey has been conducted since 2009 and is called the supplementary survey on trade in services (ECEIS).

The survey enhances the information that had been gathered using the payment summary statements by incorporating the economic description of the transaction generating a given receipt or payment flow. Furthermore, various technical reasons made it difficult to assess the representativeness of the information gathered from payment summary statements. The introduction of the survey provided a reliable measure of representativeness.

The survey was started in 2008 on an experimental basis to provide preliminary measurements for comparison with the results derived from the payment summary statements and to familiarise the selected reporting companies with the procedures.

1|1 Survey methodology

The **sampling frame** is made up of resident non-financial corporations involved in international trade in services that are not subject to the general direct reporting requirement. The sampling frame was constructed by comparing various individualised information sources accessible to the Directorate General of Statistics at the Banque de France.⁴ A multi-criterion selection based on presence in reference databases, business sector and trade in services resulted in a population of some 40,000 non-financial firms likely to be involved in international trade in services being selected for the sample frame.

For the 2011 survey, on trade in services in 2010, the sample contained some 5,000 entities.⁵ It was drawn from the sampling frame in a two-step process:

- an exhaustive stratum with some 1,000 companies identified as accounting for most of the trade in services (imports and exports);
- then another 3,990 companies drawn at random from the sample frame of 38,415 companies, after eliminating the 1,000 companies retained in the exhaustive stratum, using a sampling design that is stratified by activity sector and total sales.

One quarter of the sample is replaced each year so that virtually all of the companies in the sample in the first year are no longer polled after four years.⁶ The exhaustive stratum is carried over from one year to the next, provided that the companies in it are still among the 1,000 biggest contributors to the trade in services estimated in the sampling frame. Companies that no longer meet this criterion are reclassified in the sample frame with the same likelihood of being drawn for the sample as other companies.

The extrapolation of the findings to all of the companies in the sample frame is achieved by multiplying the reporting entities' import and export flows by their initial sample weighting, which is the inverse of the sampling rate of their stratum.⁷ Non-responses are counted and an adjustment is made.

Ultimately, the new survey has led to the following revisions:

Revision of services other than travel in 2010

(EUR billions)

	Exports	Imports	Balance
Impact of the ECEIS survey	+35.7	+29.4	+6.3
Discrepancy between Annual Report 2011 and Annual Report 2010	+35.0	+29.0	+6.0

⁴ Banks' filings with the Banque de France (payment summary statements, see above); the SIRENE database of France's National Statistics Institute, INSEE, which catalogues registered companies with their addresses and activity sectors, the Banque de France's FIBEN company banking data base, which contains some 300,000 balance sheets; the National Statistics Institute's ESANE system for compiling annual statistics on companies, which combines administrative, tax and social data on companies with data from business surveys; databases operated by the Directorate General of Customs and Excise on importers and exporters of goods and exporters of services to the European Union; the National Statistics Institute's LIFI data base on financial links

⁵ In the two previous surveys, the sample contained nearly 3,500 companies.

⁶ In theory, since a company removed from the sample is returned to the sample frame, the same company could be drawn again.

⁷ For companies in the exhaustive stratum, the initial sampling fraction is automatically equal to 1.

1|2 Data are collected via a secure area of the Banque de France website

The supplementary survey on trade in services takes place from the beginning of April to the end of May each year and respondent companies report on their imports and exports of services in the previous calendar year. The response rate ranged from 72% to 85% over the first three years. All in all, entities in the sample actually took more than seven months to report their data and the data were available for statistical processing in November of each year.

The respondents are surveyed using a questionnaire that is accessible on the Banque de France website (ONEGATE external data collection facility managed by the Directorate General of Statistics), which also presents all of the methodological and technical documentation.

2| OUTWARD WORKERS' REMITTANCES

The “workers’ remittances” item in the balance of payments has been revised substantially in the *Annual Report 2011*. The change in methodology does not concern receipts. Therefore, the revisions of payments affect the net balance.

Comparisons of France's balance of payments statistics with national and international surveys of migrant workers' remittances revealed significant discrepancies. France's data sources for outward workers' remittances no longer provided satisfactory coverage because of the growth of remittances and the development of new technical and business solutions for remittances. “Mirror” data are used to evaluate the expenditures. This means the receipts measured by the countries receiving large amounts of workers' remittances, which are in a better position to measure this item. Such remittances are closely tracked by countries receiving the largest amounts, since these amounts can sometimes be greater than their development assistance receipts.

The methodology used is based on the work of the Migration and Remittances team at the World Bank and the data that it disseminates about the amounts received by country and the structure of migrant populations by home country and by host country.⁸

⁸ These data can be found at: <http://go.worldbank.org/JITC7NYTT0>
[http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/RemittancesData_Inflows_Dec11\(Public\).xlsx](http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/RemittancesData_Inflows_Dec11(Public).xlsx)

With the total amount of workers' remittances receipts reported by each country to the International Monetary Fund and the number of migrants born in one country and living in the other for every pair of countries, the method developed by the Migration and Remittances team is based on the assumption that the amount $F_{i \rightarrow j}$ of workers' remittances sent from country i to country j is:

$$F_{i \rightarrow j} = \frac{P_{j \rightarrow i}}{\sum_k P_{j \rightarrow k}} \times R_j$$

where $P_{j \rightarrow i}$ is the number of migrants from country j living in country i and R_j is the total receipts of country j . The amount received by country j is then divided between all countries in proportion to the number of migrants from country j living in each of the countries. In this way, France's payments of workers' remittances to each country can be calculated.

The method has been adapted in consideration of three factors:

- the World Bank data do not make an adequate distinction between the “workers' remittances” and “compensation of employees” items for the countries bordering on France;
- data may be missing for some of the countries receiving remittances;
- the method may show average amounts per person that are particularly high.

To cope with these limitations, the total amount of some countries' receipts has been corrected, either in accordance with the data published by the country, when they are more accurate than the data used by the World Bank, or in accordance with the data collected by the Banque de France for countries where receipts are not available or show smaller amounts. The average amount of remittances per person have also been restated for countries that showed obviously erroneous values.

The revised total amounts of France's workers' remittances payments stand at 9.1 billion euros in 2009 and 9.8 billion in 2010, as opposed to 2.8 billion in 2009 and 2.9 billion in 2010, before the revisions. This means that the net balance of the workers' remittances item went from –2.1 billion in 2009 and in 2010 to –8.3 billion in 2009 and –9.1 billion in 2010.

3 | NEW STATISTICAL INFORMATION REPORTING FORMS FOR FINANCIAL INTERMEDIARIES

A financial intermediary is an individual or a legal entity (credit institution, investment company, payment institution or financial holding companies) that is authorised by the competent authorities (*Autorité de contrôle prudentiel* or *Autorité des marchés financiers*, as the case may be) to act as an intermediary between economic agents in order to match the supply and demand for capital or to safeguard or manage securities entrusted to it by third parties. The cross-border transactions of financial intermediaries are primarily recorded in the balance of payments under financial services items the “income from other investment” item (loan and deposit transactions) and the “other investment” item in the financial account.

To maintain the quality of the statistics collected and to prepare for the future requirements under the sixth edition of the *IMF Balance of Payments Manual*, which will take effect in 2014, a new system for collecting data from financial intermediaries was implemented in 2011. This system is made up of:

- a simplified collection of data for transactions that financial intermediaries carry out on their customers' accounts, with a statement of customer payments (RPC) that records transactions with residents outside the European Union using simplified classifications and codifications and with a reportable transaction threshold of 50,000 euros;
- the use of accounting documents filed by financial intermediaries under the unified financial reporting system (SURFI); this system meets the needs of the *Autorité de contrôle prudentiel*, as well as the statistical needs for compiling the balance of payments;
- a new collection of data to evaluate financial institutions' cross-border transactions on their own accounts, which includes the transaction reports (CRT) and direct investment statistics.

3|1 Enhanced collection of data on transactions in financial derivatives

In preparation for the future requirements under the sixth edition of the *IMF Balance of Payments Manual*, the new financial derivatives transaction reporting forms will distinguish change in value involving trading (e.g. purchases and sales of options on foreign markets) from those resulting from revaluations. These transactions will also be reported by market and by product. This new collection of data will make the link between balance of payment flows and the stocks at market value reported in France's international investment position and ensure coherence between the two.

The new financial derivative reporting forms take into account the notion of assets and liabilities, depending on the positive or negative market value of the instrument in question, the structure of the relevant market (organised market or OTC market) and the type of instrument. Transactions between entities in the same group, which may involve large amounts, are now identified.

3|2 The reporting population expanded to include all financial intermediaries

Reporting entities are required to provide monthly or annual data reporting depending on whether their turnover in financial services or financial derivatives exceeds a given threshold.

The reporting requirement has been extended to management companies, payment institutions and financial holding companies.

The reporting population now includes:

- credit institutions;
- investment companies;
- payment institutions;
- financial holding companies.

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