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ANNUAL REPORT

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

BANQUE DE FRANCE

DIRECTORATE GENERAL STATISTICS

Balance of Payments
Directorate

Sectoral Surveys
and Statistics Directorate

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INTRODUCTION

In 2010, France's current account showed a deficit of 34 billion euros, equivalent to 1.7% of GDP, which was slightly higher than in 2009. Outward foreign direct investment exceeded inward foreign direct investment by 38 billion, compared to 50 billion in 2009 and 62 billion in 2008. Portfolio investment has posted capital inflows since 2008, following capital outflows at the beginning of the decade. Non-residents' purchases of French securities were 120 billion greater in 2010 than French residents' purchases of foreign securities. International flows of deposits, loans and financial derivatives showed a net decrease in French residents' debt of 58 billion, whereas this item had shown increases in liabilities each year from 2003 to 2007.

Half of the approximately 10-billion decline in the goods balance in the current account was offset by an improvement in the investment income balance. More specifically, net direct investment income came to 34 billion, after remaining steady at around 26 billion from 2006 to 2009.

The services surplus was stable at 10 billion, as the travel surplus continued to decline from a bit more than 10 billion from 2000 to 2008, to 8 billion in 2009 and to 6 billion in 2010. However, the decline in 2010 was fully offset by the return to equilibrium in the transportation balance and a reduction of the deficit on "other business services". The final current account component, which is current transfers, showed an unchanged deficit of 27 billion.

The financial account in the balance of payments covers trade in financial assets between France and the rest of the world. This trade should balance the current account. This account records three main categories of assets: "foreign direct investment", which records the creation and acquisition of foreign companies and financial transactions between resident and non-resident companies belonging to the same international group, "portfolio investment", which records purchases and sales of securities, and "other investment", which records international lending and borrowing transactions, along with "financial derivatives", which mainly take the form of current international interbank transactions.

Net capital outflows for direct investment, equity transactions, reinvested earnings and loans between affiliated companies were down by 38 billion to

return to their 2006 level, after peaking at 62 billion in 2008. Loans between companies in the same group are recorded as inward and outward direct investment between fellow enterprises, which inflate these statistics. If these transactions are restated in accordance with the recommended principles of the upcoming edition *IMF Balance of Payments Manual*, the flows of inward and outward investment are reduced, without affecting the balance. Under this methodology, outflows decreased from 61 billion in 2009 to 51 billion in 2010, whereas inflows were unchanged at 13 billion.

In this context, portfolio investment, the vast majority of which concerns fixed-income securities, and "other investment", which corresponds primarily to monetary financial institutions' loans and deposits, should, along with the "financial derivatives" item, finance the current account deficit and the direct investment deficit. Some resident sectors in France must either borrow from non-residents or reduce their foreign assets. In middle of the previous decade, French banks borrowed from non-residents to finance the foreign direct investment of French companies. In 2008 and 2009, the trend reversed and banks' net liabilities decreased. Inflows on government securities financed a large share of the other balance of payments items, especially in 2009. This pattern persisted in 2010, but was less pronounced than in 2009. French banks increased their total borrowing from non-residents, primarily through issues of securities.

Portfolio investment flows have resulted in capital inflows since 2008. The inflow in 2009 was massive at 251 billion and was still large in 2010 at 120 billion. Non-residents invested 97 billion in French securities in 2010, including 47 billion in government securities. Residents, and particularly monetary financial institutions, sold 23 billion in foreign securities in 2010. Equity security purchases and sales were in equilibrium in 2009, but resulted in a net capital outflow of 30 billion in 2010, largely as a result of 21 billion in purchases of foreign equity securities.

The international deposits and loans of monetary financial institutions (this sector does not include the Banque de France in the Balance of Payments presentation) posted a deficit of 47 billion in 2010 (compared to a deficit of 76 billion in 2009). This shows that resident banks are reducing their borrowing

from non-residents. These net liabilities stood at 175 billion at the end of 2010, returning to their 2005 level, after peaking at 371 billion at the end of 2007. The Banque de France reduced its liabilities towards the European Central Bank and other central banks in the euro area for the second year in a row.

France's international investment position (IIP) at market value,¹ which is the difference between French residents' foreign assets and non-residents' assets in France, which had been in equilibrium up until the end of 2007, showed a deficit of 192 billion at the end of 2010, which is equal to 10% of GDP.

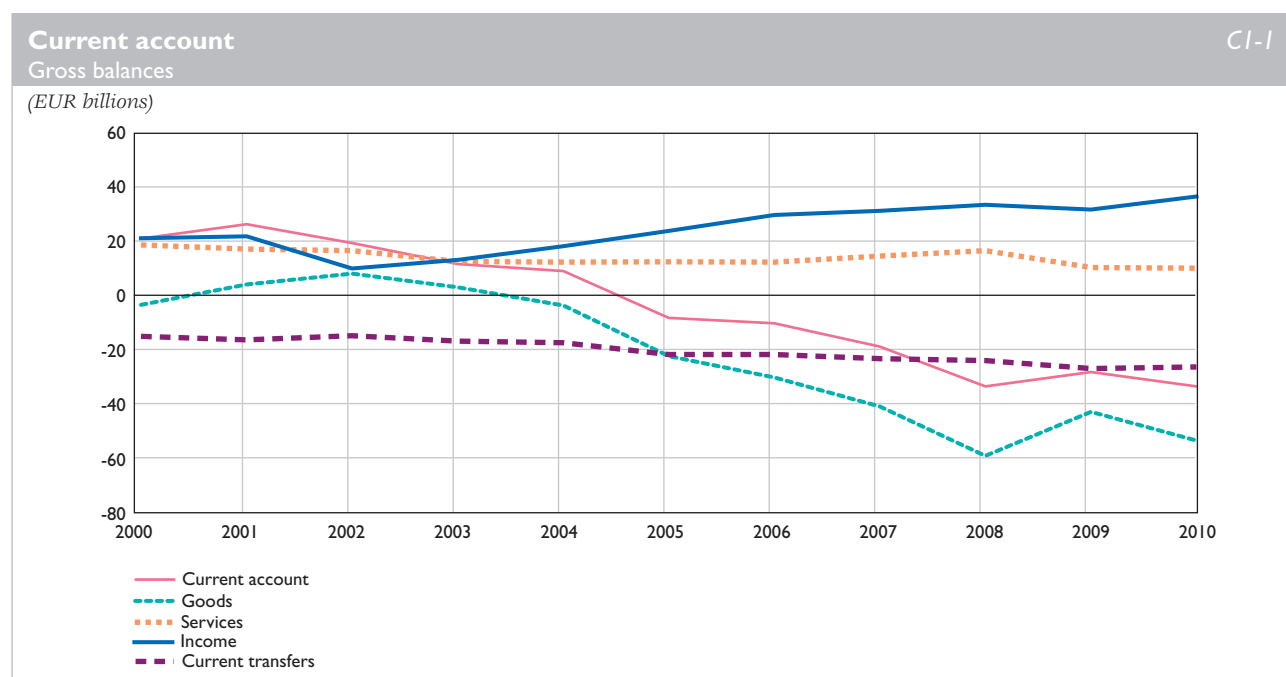
1 When the market value of public and private sector issuers' debt increases, France's international investment position declines in the same proportion under the relevant accounting conventions.

PART ONE

Chapter I **Current account**

PART I – THE FRENCH BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

Chapter I – Current account



Current account TI-I

(EUR billions)

	2008			2009			2010		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Current account	726.6	760.4	-33.7	615.8	644.2	-28.4	675.1	708.7	-33.7
Goods and services	523.7	566.6	-42.9	445.2	478.1	-33.0	499.9	543.6	-43.7
Goods	410.8	470.2	-59.4	341.5	384.6	-43.1	390.1	443.7	-53.7
Services	112.9	96.4	16.5	103.7	93.5	10.2	109.9	99.8	10.0
Income	183.3	149.9	33.4	151.5	119.9	31.6	157.4	120.8	36.5
Current transfers	19.7	43.9	-24.2	19.1	46.2	-27.1	17.8	44.3	-26.5

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

CHAPTER I

Current account

In 2010, France's current account balance returned to its 2008 level. It posted a deficit of 33.7 billion, or 1.7% of GDP, following a deficit of 28.4 billion in 2009. The deficit on goods deepened by nearly 11 billion. Half of this deterioration was offset by the increase in the surplus on income (primarily investment income). The surplus on services was steady at 10 billion. The decrease in the travel surplus from 10 billion per year from 2000 to 2008 to 8 billion in 2009 and 6 billion in 2010 was offset by the improvement in the surplus on transportation services and a smaller deficit on other business services.

I | Goods

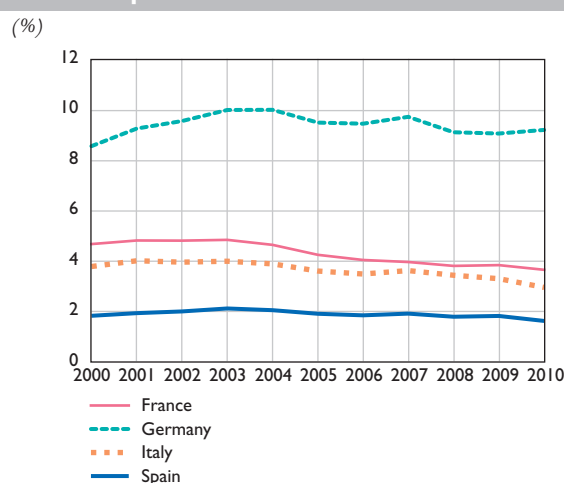
Trade in goods posted a deficit of 53.7 billion in 2010, following a deficit of 43.1 in 2009, as worldwide trade in goods recovered vigorously.

I | I | General merchandise

After falling sharply in 2009, foreign trade in goods posted renewed growth in 2010, with exports increasing by 13.6% and imports rising by 13.8%

based on customs data,¹ but this growth was weaker than it was before the crisis. Some of this increase can be attributed to a catch-up effect. The growth of French exports, however, was slightly slower than the growth of world trade. Consequently, France's export market share shrank slightly once again, from 3.8% in 2009 to 3.7% in 2010.²

Global export market share C1-2



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

Goods

(EUR billions)

	2008			2009			2010		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Goods	410.8	470.2	-59.4	341.5	384.6	-43.1	390.1	443.7	-53.7
Merchandise	396.8	453.6	-56.9	327.4	371.0	-43.6	377.1	430.6	-53.5
Customs data	411.1	466.3	-55.1	340.9	383.8	-42.9	392.9	444.0	-51.1
Adjustments	-14.4	-12.6	-1.7	-13.5	-12.9	-0.7	-15.8	-13.4	-2.4
Goods for processing	10.7	10.7	0.0	10.6	9.3	1.3	9.0	7.6	1.4
Repairs on goods	1.3	1.1	0.2	2.0	1.4	0.6	2.2	1.6	0.6
Goods procured in ports by carriers	2.1	4.8	-2.7	1.5	2.9	-1.4	1.8	3.9	-2.1

The customs data used in the balance of payments before 2010 do not incorporate the revisions disseminated by the Directorate General of Customs.

¹ Customs data are different from the balance of payments data on goods. The latter data include goods for processing, repairs on goods and goods procured in ports by carriers, in addition to adjustments to customs data for exchanges that do not result in a change in ownership.

² France had been losing market share since the middle of the previous decade. This trend also affects its leading European neighbours and reflects the impact of emerging economies' growing share of global trade.

PART I – THE FRENCH BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

Chapter I – Current account

Total trade in goods and trade in goods by sector

T1-3

(EUR billions)

	Exports		Imports		Balance	
	Amount in 2010	Change 2010/2009 (%)	Amount in 2010	Change 2010/2009 (%)	Amount in 2010	Change 2010/2009 (%)
Trade in goods FOB-FOB	393.1	13.7	444.3	13.9	-51.1	-6.9
Trade in goods CIF-FOB (a)	388.1	13.8	456.0	13.9	-67.9	-8.5
of which: Agriculture and agri-food sectors	49.6	11.8	41.8	6.7	7.8	2.6
Energy products	19.0	28.5	66.7	22.4	-47.8	-8.0
Mec., elec. and IT equipment	76.0	12.7	95.9	16.0	-20.0	-4.7
Transport equipment	84.2	16.1	69.5	6.1	14.7	7.7
Other manufactured goods	156.2	12.6	178.4	15.2	-22.2	-6.1

(a) Excluding military equipment.

Source: DG of Customs and Excise, estimated data.

Calculations: Banque de France.

In this context, France's general merchandise deficit deepened to 51.1 billion (FOB-FOB),³ primarily as a result of a higher energy bill, which rose by 8 billion as a result of a combination of larger volumes and higher energy prices. The rise in the price of a barrel of oil in the second half of the year was offset in part by the rise of the euro against the dollar, but this did not reverse the depreciation in the first half of the year, leaving the euro down by 4.8% on average over the year.

The recovery of international trade has affected exporting sectors differently. France's exports in 2010 were primarily driven by transport equipment, which saw sales growth of 16%. The automobile industry's sales recovered sharply in 2010, with a 15.5% increase in vehicle sales, following a sharp drop in 2009. Exports of aeronautical equipment grew by 15%. Sales of mechanical, electrical, electronic and information technology equipment, "other

Geographical distribution of trade in goods

T1-4

(EUR billions)

	Exports		Imports		Balance	
	Amount in 2010	Change 2010/2009 (%)	Amount in 2010	Change 2010/2009 (%)	Amount in 2010	Change 2010/2009 (%)
Euro area (16 members)	189.1	11.2	220.8	11.1	-31.7	-3.0
of which: Germany	63.0	13.6	78.9	10.2	-15.9	0.2
Italy	31.4	10.4	34.6	9.5	-3.3	0.0
Spain	29.1	7.6	28.4	13.7	0.7	-1.4
United Kingdom	26.2	7.0	19.8	8.1	6.4	0.2
New EU Member States (a)	15.3	16.2	19.6	20.4	-4.3	-1.2
Americas	35.3	17.8	37.9	9.2	-2.6	2.1
of which: United States	22.1	12.2	26.7	6.4	-4.6	0.8
Asia	43.0	29.4	70.8	22.5	-27.8	-3.2
of which: Japan	5.9	23.0	8.9	13.8	-3.0	0.0
China and Hong Kong	15.2	48.3	37.6	24.1	-22.4	-2.4
Near and Middle East	14.7	7.8	8.0	20.9	6.8	-0.3

(a) Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Czech Republic, Romania.

Source: DG of Customs and Excise.

Calculations: Banque de France.

³ Meaning insurance and freight costs for imports are not included.

manufactured goods” and agricultural and agri-food goods showed slower growth.

The geographical structure of trade in general merchandise explains much of the deeper deficit in 2010. The trade deficit with the euro area deepened by 3 billion euros, with the trade deficit with Spain, in particular, increasing by 1.4 billion. The trade deficit with Asia increased by 3.2 billion, including a 2.4-billion worsening of the deficit with China. The deepening of the trade deficit with new European Union Member States was smaller at 1.2 billion. In the medium term, the bulk of France’s trade deficit can be attributed to its trade with China and the euro area.

In addition, provisional data on the population of enterprises engaging in international trade in goods show several patterns in 2010:⁴

- The number of enterprises exporting for the first time posted its first increase since 2007, even though the increase was small at 350 enterprises or 1.3%. At the same time, the number of enterprises that stopped exporting declined, as it did in 2009. However, the number of enterprises leaving the export market was still greater than the number of enterprises entering it, leading to a decline in the population of exporting enterprises of 1% in 2010, following a decline of 3.9% in 2009. The decline was most noticeable among medium-sized enterprises, where it stood at 3.2%.

- The growth of France’s total exports can primarily be attributed to the sales of existing exporting enterprises, which also accounted for most of the decline in exports in 2009.

- The geographical structure of exports shows that the number of enterprises exporting to Asia showed the strongest growth in 2010, at 5.2%.

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

The surplus on goods for processing reached 1.4 billion, compared to 1.3 billion in 2009. The surplus on repairs on goods was unchanged at 0.6 billion. The deficit on goods procured in ports by carriers deepened slightly from 1.4 billion in 2009 to 2.1 billion in 2010, as imports increased in connection with higher energy prices.

2| Services

The surplus on trade in services was unchanged at 10 billion in 2010. The 1.9-billion contraction of the travel surplus was offset by the 0.8-billion increase in the transportation services surplus and the 1-billion growth in the surplus on trade in other services.

Services										T1-5
(EUR billions)										
	2008			2009			2010			
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance	
Services	112.9	96.4	16.5	103.7	93.5	10.2	109.9	99.8	10.0	
Transportation	27.7	28.8	-1.1	22.9	23.6	-0.7	27.1	27.1	0.1	
Travel	38.5	27.9	10.5	35.5	27.5	8.0	35.1	29.1	6.1	
Other services (a)	46.8	39.7	7.0	45.3	42.4	2.9	47.6	43.7	3.9	

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.
(a) See “Other services” (Table T1-7) for details.

⁴ See the document by the DGDDI: http://lekiosque.finances.gouv.fr/Appchiffre/Etudes/thematiques/A2010_operateurs_prov.pdf

2|1 Transportation

Trade in transportation services posted strong overall growth as trade in goods recovered and returned to levels close to those seen before the crisis, standing at around 27 billion. The overall balance was nearly in equilibrium in 2010 at 0.1 billion, following a deficit of 0.7 billion in 2009.

The 2010 deficit on trade in sea transport services shrank to 0.5 billion, after deepening for two years in a row as exports grew more rapidly than imports. The surplus on air transport services was slightly smaller at 0.9 billion, following steady improvement in the second half of the previous decade. The deficit on other modes of transport was unchanged at 0.4 billion (Table T1-6).

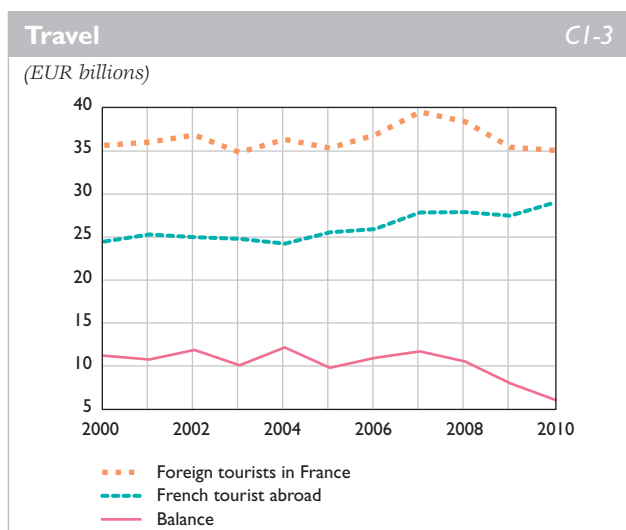
2|2 Travel

In 2010, the travel surplus shrank for the third year in a row, standing at 6.1 billion, compared to surpluses of slightly more than 10 billion from 2000 to 2008.

After peaking at 39.6 billion in 2007 (Chart C1-3), travel receipts fell by 4.5 billion to 35.1 billion in 2010. Spending by tourists from the euro area decreased by 1.7 billion. German tourists spent nearly 1 billion less, while Italians spent 0.5 billion less and Spanish tourists spent 0.4 billion less. Only tourists from Belgium increased their spending by 0.4 billion. Travel receipts from outside the euro area were down by 2.8 billion between 2007 and 2010, including a 1.5-billion decline in spending by British tourists (Chart C1-4).

Transportation										T1-6
(EUR billions)										
	2008			2009			2010			
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance	
Sea transport	10.1	11.1	-1.0	7.6	9.1	-1.6	10.1	10.6	-0.5	
Freight	8.7	7.8	1.9	6.5	5.7	0.8	9.0	6.9	2.2	
of which FOB expenses (a)	1.8	5.9	-4.1	1.5	4.5	-3.0	1.8	5.4	-3.7	
Passengers	0.3	0.1	0.1	0.2	0.1	0.1	0.2	0.1	0.2	
Other expenses (b)	1.2	3.2	-2.0	0.8	3.3	-2.5	0.9	3.7	-2.8	
Air transport	11.4	10.9	0.6	10.1	9.0	1.2	11.2	10.3	0.9	
Freight	2.4	2.1	0.4	1.8	1.7	0.1	1.7	2.1	-0.4	
of which FOB expenses (a)	1.1	1.1	0.0	1.0	1.0	0.0	1.2	1.2	0.0	
Passengers	6.4	5.4	1.0	5.8	4.8	1.0	6.9	5.3	1.5	
Other expenses (b)	2.6	3.3	-0.7	2.5	2.5	0.0	2.6	2.9	-0.2	
Other transport	6.1	6.8	-0.7	5.2	5.5	-0.3	5.8	6.2	-0.4	
Space transport	0.5	0.0	0.5	0.9	0.0	0.8	1.2	0.0	1.2	
Rail transport	1.1	1.2	-0.2	0.9	1.1	-0.2	0.8	1.1	-0.2	
Freight	0.5	0.7	-0.3	0.3	0.6	-0.3	0.3	0.6	-0.3	
of which FOB expenses (a)	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.1	-0.1	
Passengers	0.5	0.4	0.1	0.5	0.4	0.1	0.5	0.4	0.1	
Other expenses (b)	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	
Other	4.5	5.5	-1.3	3.5	4.4	-0.9	3.8	5.1	-1.4	
of which FOB expenses (a, c)	2.4	2.4	0.0	1.9	2.1	-0.3	2.2	2.5	-0.3	
Total	27.7	28.8	-1.1	22.9	23.6	-0.7	27.1	27.1	0.1	

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.



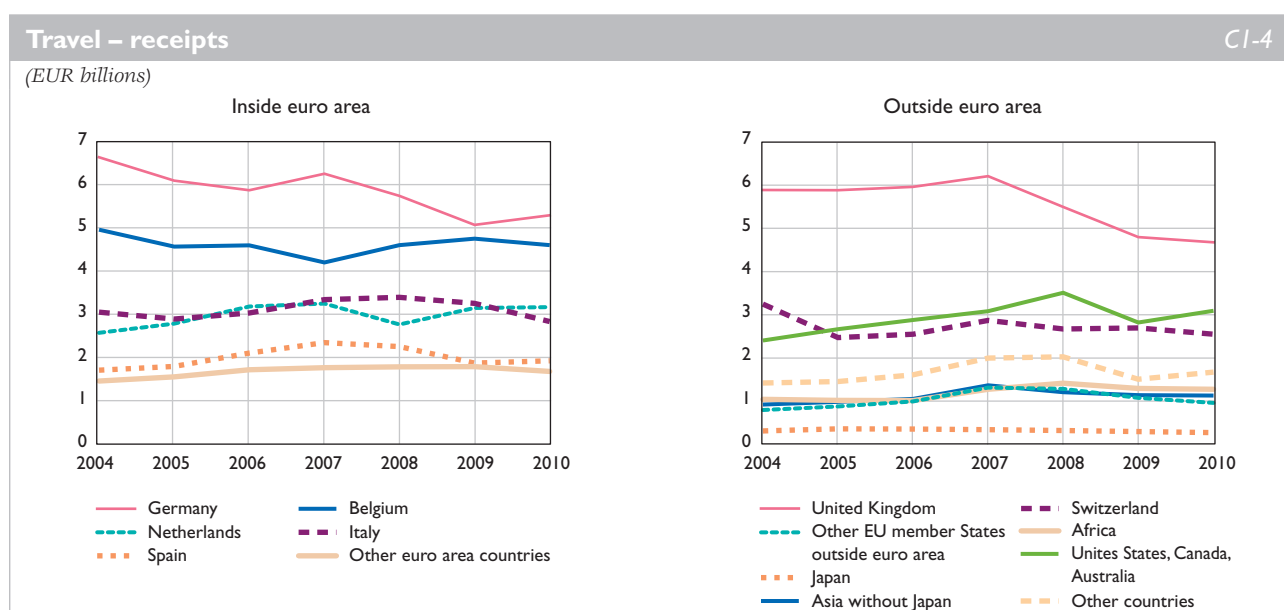
the decline in receipts from neighbouring countries, whereas German, Spanish and Dutch tourists have increased their spending in France. Receipts from North American tourists were also up, after declining sharply in 2009 (Chart C1-4).

At the same time, French residents' spending on personal foreign travel, which accounts for three quarters of French travel spending, increased by 4% and spending on business travel increased by 10%. The favourite foreign destinations of French tourists all benefited from the increase in their spending, starting with the United States, the United Kingdom and Spain. The situation is more contrasted for business travel. Spending by French business travellers was up sharply in European Union countries, especially Spain, the United Kingdom and Italy, but it diminished in the rest of the world, and in the United States in particular.

In 2010, the contraction of the travel surplus stemmed from a 1% decrease in receipts, following a particularly difficult year for international tourism in 2009, whereas spending by French tourists abroad grew by nearly 6%. Travel receipts suffered from poor weather at the beginning of the year and the eruption of an Icelandic volcano that paralysed air traffic. France's neighbours are still the main sources of tourists in France, accounting for nearly three quarters of its travel receipts (Table STAT_1.1 in Part 2). Italian, Belgian, Swiss and British tourists account for much of

2|3 Other services

The surplus in trade in other services (excluding transportation and travel) increased slightly to 3.9 billion, up from 2.9 billion in 2009. Exports grew by nearly 5.1%, after contracting by 3.2% in 2009, and imports continued to grow.



PART I – THE FRENCH BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

Chapter I – Current account

Other services									
(EUR billions)									
	2008			2009			2010		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Communication services	3.1	2.1	0.9	3.3	2.7	0.6	3.4	2.9	0.5
Construction services	4.5	1.8	2.8	5.0	2.4	2.6	4.8	2.2	2.5
Insurance services	0.6	1.4	-0.8	1.0	1.7	-0.8	0.9	2.2	-1.3
Financial services	1.3	1.3	0.0	1.6	1.0	0.6	1.9	1.6	0.4
Computer services	1.3	1.5	-0.3	1.2	1.6	-0.4	1.2	1.4	-0.2
Royalties and license fees	7.6	3.7	3.9	7.0	3.8	3.2	7.8	4.2	3.7
Other business services	26.1	24.7	1.4	24.2	26.0	-1.8	25.2	25.7	-0.5
<i>Merchandising</i>	8.7	0.0	8.7	7.2	0.0	7.2	7.8	0.0	7.8
<i>Other trade-related services</i>	2.0	3.9	-1.9	1.8	3.9	-2.1	2.0	3.5	-1.5
<i>Operational leasing</i>	0.5	1.8	-1.3	0.5	1.8	-1.4	0.4	2.1	-1.6
<i>Miscellaneous business services</i>	14.9	19.0	-4.1	14.7	20.3	-5.6	14.9	20.2	-5.2
Personal, cultural and recreational services	1.5	2.5	-1.0	1.4	2.6	-1.3	1.5	2.8	-1.3
<i>Audiovisual services</i>	0.8	1.4	-0.6	0.7	1.4	-0.7	0.7	1.5	-0.8
<i>Other personal, cultural and recreational services</i>	0.7	1.1	-0.4	0.6	1.2	-0.5	0.8	1.3	-0.5
Government services	0.8	0.7	0.1	0.7	0.6	0.1	0.8	0.6	0.2
Total	46.8	39.7	7.0	45.3	42.4	2.9	47.6	43.7	3.9

The breakdown of balances by sector show relatively little change from one year to the next. Most of the improvement seen in 2010 stemmed from trade in other business services, where the deficit shrank from 1.8 billion in 2009 to 0.5 billion in 2010, as exports grew by 4% and imports declined by 1%.

3 | Income

After falling to 31.6 billion in 2009, the income surplus bounced back to 36.5 billion in 2010, exceeding the peak attained in 2008. The surplus on compensation

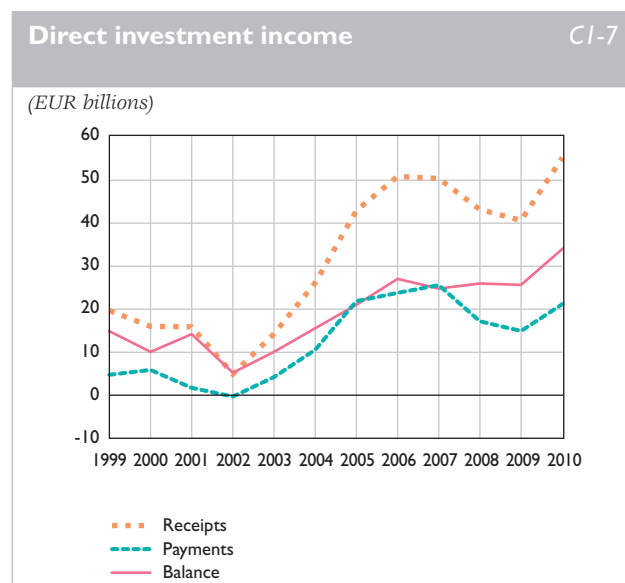
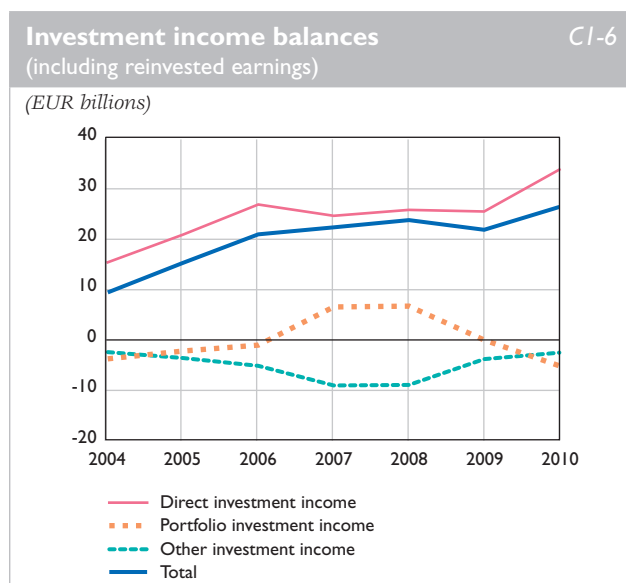
of employees, which stems primarily from resident frontier workers, was little changed at 9.9 billion. The surplus on investment income increased by 4.6 billion to 26.6 billion (Table T1-8).

3|1 Direct investment income

After remaining stable at around 25 billion for four years, the surplus on foreign direct investment income grew by more than 8 billion in 2010 to reach 34.1 billion, as a result of the sharp increase in income on outward foreign direct investment.

Income									
(EUR billions)									
	2008			2009			2010		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
Compensation of employees	10.3	0.9	9.4	10.5	0.9	9.6	10.9	1.0	9.9
Investment income	173.0	149.1	24.0	141.0	119.0	22.0	146.5	119.9	26.6
Direct investment	43.2	17.2	26.0	40.6	15.0	25.7	55.3	21.2	34.1
<i>Dividends</i>	35.5	15.3	20.1	32.0	13.7	18.4	31.2	8.4	22.8
<i>Reinvested earnings</i>	7.7	1.8	5.9	8.6	1.3	7.3	24.1	12.8	11.3
Portfolio investment income	80.2	73.4	6.8	77.1	77.0	0.1	76.3	81.3	-5.1
<i>of which income on equity securities</i>	8.0	14.6	-6.6	5.4	13.1	-7.7	4.7	13.4	-8.7
Other investment income	49.6	58.5	-8.9	23.2	27.0	-3.7	14.9	17.3	-2.4
Total	183.3	149.9	33.4	151.5	119.9	31.6	157.4	120.8	36.5

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



Receipts, representing income on outward foreign direct investment, which had fallen by 14% in 2008, following a sharp drop in income in the banking sector, posted a further fall of 6% in 2009 to 40.6 billion. The recovery in the earnings of French banks' foreign subsidiaries and branches only partially offset the decline in the income of groups in other sectors, which were hit by the international economic crisis.

The trend in net consolidated current income of the leading French groups in 2010 led to estimates showing a sharp increase in income on outward foreign direct investment in all economic sectors.⁵ Dividends were at the same level as in 2009 at 31.2 billion, whereas reinvested earnings were up by 15.5 billion to 24.1 billion. The contrasting trends for dividends and reinvested earnings in 2010 stem from the fact that the dividends are largely determined by foreign subsidiaries' earnings in 2009, which were down slightly from 2008, whereas reinvested earnings are calculated as the difference between the estimated net income of direct investment enterprises in 2010 and dividends paid. The economic recovery led to a sharp rise in earnings, whereas dividends were tied to the previous year's poorer earnings, which meant that the level of reinvested earnings, or earnings minus dividends paid, rose suddenly.

Income from inward direct investment fell in 2008, followed by a slower decline in 2009 to 15 billion (Chart C1-7).

As growth resumed in 2010, it boosted the activity of resident direct investment enterprises. Their earnings, which are estimated at the time of writing, should post a sharp increase and return to a level comparable to the one seen between 2005 and 2007.

3|2 Portfolio investment income

After peaking at more than 6 billion in 2006 and 2007, the surplus on portfolio investment income posted major declines three years in a row. After being in balance in 2009, this item showed a deficit of 5.1 billion in 2010. This development concerns both dividend and interest income. The deficit on dividend income deepened from 6.6 billion in 2008 to 8.7 billion in 2010 as dividends received declined and dividends paid remained unchanged. The surplus on income from debt securities fell from 13.4 billion in 2008 to 3.6 billion in 2010 as interest paid continued to rise and interest received levelled off. Since 2009, non-residents have been aggressively acquiring French securities, whereas outward investment

⁵ As of this writing, the 2010 earnings figures for French companies' foreign subsidiaries and interests, 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).

has been more moderate. After showing net assets of 93 billion at the end of 2008, the international investment position in debt securities showed net liabilities of 270 billion in 2010 (Chapter 3).

where the deficit shrank by 1.8 billion as interest rates fell.

3|3 Other investment income

The deficit on income from other investment shrank from 3.7 billion in 2009 to 2.4 billion in 2010. However, this overall trend incorporates contrasting developments in different sectors. As in 2009, the biggest improvement was seen in the banking sector,

4| Current transfers

The deficit on transfers changed little. It stood at 26.5 billion in 2010, following a deficit of 27.1 billion in 2009. The main component of current transfers is general government transfers and, more specifically, transactions with European Union institutions, which resulted in a deficit of 10 billion, as was the case in 2009.

Current transfers									
<i>(EUR billions)</i>									
	2008			2009			2010		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
General government transfers	12.4	28.3	-15.9	12.5	30.6	-18.1	11.2	29.2	-18.0
Transfers with European Union institutions	10.8	19.0	-8.3	11.0	20.7	-9.7	10.2	20.2	-10.0
Other general government transfers <i>of which operating expenses for international organisations</i>	1.7	9.3	-7.6	1.5	9.9	-8.4	1.0	9.0	-8.0
	0.0	0.7	-0.7	0.0	0.7	-0.7	0.0	0.8	-0.8
Current transfers of other sectors	7.2	15.5	-8.3	6.6	15.6	-9.0	6.6	15.1	-8.5
Workers' remittances	0.8	3.4	-2.6	0.8	2.8	-2.1	0.8	2.9	-2.1
Other transactions	6.4	12.1	-5.7	5.9	12.8	-6.9	5.9	12.2	-6.4
Total	19.7	43.9	-24.2	19.1	46.2	-27.1	17.8	44.3	-26.5

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

Chapter 2

Financial account

PART I – THE FRENCH BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

Chapter 2 – Financial account

Financial account		T2-1		
(EUR billions)				
	2008	2009	2010	
FINANCIAL ACCOUNT	18.3	41.1	18.2	
Direct investment	-62.0	-49.6	-37.9	
Outward	-105.8	-74.1	-63.5	
Equity capital	-59.0	-39.2	-20.3	
Reinvested earnings	-7.7	-8.6	-24.1	
Other capital	-39.2	-26.4	-19.1	
Other capital (extended directional principle)	-11.6	-13.5	-6.3	
Inward	43.8	24.5	25.6	
Equity capital	15.0	15.1	11.0	
Reinvested earnings	1.8	1.3	12.8	
Other capital	27.0	8.1	1.8	
Other capital (extended directional principle)	-0.6	-4.8	-11.0	
Portfolio investment	25.0	251.1	119.9	
Assets (residents' transactions in securities issued by non-residents)	-98.3	-77.4	23.2	
Equity securities and mutual fund shares/units	-39.4	-27.2	-17.0	
Bonds and notes	3.8	-11.6	-0.2	
Money market instruments	-62.6	-38.6	40.4	
Liabilities (non-residents' transactions in securities issued by residents)	123.3	328.5	96.7	
Equity securities and mutual fund shares/units	-10.9	53.0	-6.3	
Bonds and notes	80.9	199.2	99.5	
Short-term debt securities	53.3	76.3	3.5	
Financial derivatives	-16.4	-16.9	34.3	
Other investment	63.1	-147.4	-92.3	
Assets	53.6	58.1	-118.6	
Trade credits	4.2	-1.3	-0.6	
Loans	49.5	59.4	-117.8	
Banque de France	11.0	-2.7	-10.7	
General government	1.0	-1.1	-3.7	
Monetary financial institutions (MFIs)	33.8	67.2	-103.8	
Investment firms	5.0	4.4	-3.8	
Other sectors	-1.2	-8.3	4.2	
Other assets	0	0	-0.2	
Liabilities	9.5	-205.5	26.3	
Trade credits	1.4	6.5	3.7	
Loans	8.1	-212.0	22.6	
Banque de France	130.5	-44.2	-31.4	
General government	5.6	-4.5	0.3	
Monetary financial institutions (MFIs)	-135.1	-142.9	57.2	
Investment firms	-1.6	-14.6	-2.0	
Other sectors	8.6	-5.8	-1.4	
Other liabilities	0	0	0	
Reserve assets	8.5	3.9	-5.8	

CHAPTER 2

Financial account

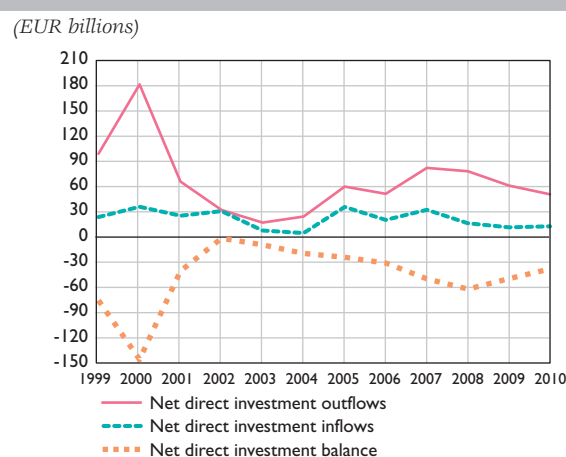
I | Direct investment

The net outflow of foreign direct investment stood at 38 billion euros in 2010. It was down by 12 billion compared to 2009, and by 24 billion compared to 2008. This trend stems primarily from the decline in outward direct investment, whereas the low level of inward direct investment was virtually unchanged for three years (Chart C2-1). The net outflow of direct investment, minus reinvested earnings, shrank from 42 billion in 2009 to 27 billion in 2010 (Tables T2-2 and T2-3). These net outflows have to be financed by other financial account items.

I | Outward foreign direct investment

When presented using the “extended directional principle” methodology used to record intercompany loans within international groups,¹ France's outward foreign direct investment stood at 51 billion in 2010, after declining for the third year in a row. The financial crisis accounted for the decline seen in 2008 and 2009, whereas the decline in 2010 occurred during a global

Outward and inward foreign direct investment C2-1 flows and net balance



recovery in investment flows and in cross-border mergers and acquisitions.

Equity capital transactions (excluding real-estate investment) resulted in a net inflow of 18 billion. This represents a decrease of more than 50% compared to 2009 and reduces the net balance of outward investment by 20 billion. In two years, equity capital transactions decreased by nearly 70% to reach the lowest figure since 2003, the year that followed the bursting of the “dot-com bubble” (Chart C2-2).

Outward foreign direct investment flows

All resident sectors

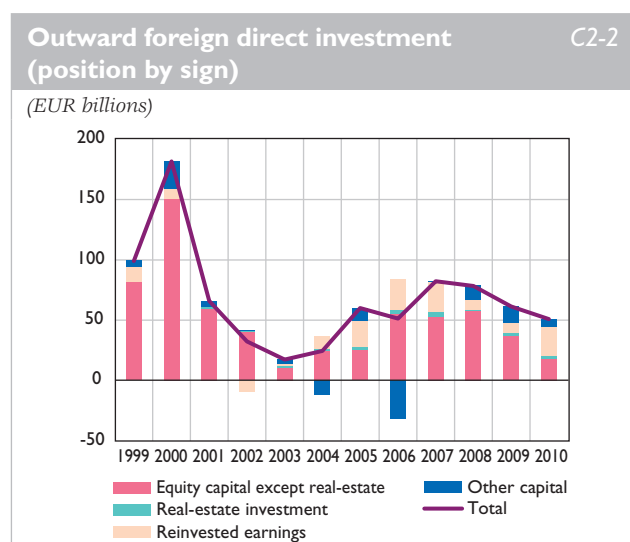
T2-2

(EUR billions)

	2007	2008	2009	2010
Equity capital (excluding real-estate investment)	-53.3	-57.6	-37.1	-17.5
New investments	-110.0	-117.7	-91.8	-37.5
Disposals	56.7	60.1	54.7	20.0
Banking sector	-16.1	-5.9	-15.7	-10.8
New investments	-24.7	-17.6	-22.7	-13.4
Disposals	8.6	11.7	7.0	2.7
Other sectors	-37.2	-51.7	-21.4	-6.7
New investments	-85.3	-100.0	-69.1	-24.1
Disposals	48.1	48.3	47.8	17.3
Real-estate investment	-3.3	-1.3	-2.1	-2.8
New investments	-3.9	-1.8	-2.4	-3.2
Disposals	0.6	0.4	0.3	0.3
Reinvested earnings (all resident sectors)	-25.4	-7.7	-8.6	-24.1
Other capital (a)	-0.2	-11.6	-13.5	-6.3
Total	-82.2	-78.3	-61.2	-50.7

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

1 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 enterprises (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 foreign 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.



French groups were once again very prudent and reduced their overall foreign investment. Several of these groups even sold off their assets located in industrialised countries (see examples below).

On the other hand, France's outward direct investment was boosted by reinvested earnings, as was the case for the other leading investor countries. Reinvested earnings rose as company profits increased.² Consequently, reinvested earnings increased to 24 billion, which compares to the levels seen in 2005 to 2007.

Outward real-estate investment continued to rebound from its low in 2008, standing at 3 billion, which is still a very modest figure compared to inward real-estate investment.³

The final component of outward direct investment is "other capital" or intercompany loans. It stood at 6 billion, less than half the figure for 2009, after loans between affiliated companies were restated according to the extended directional principle.

The main deals in 2010 affecting outward direct investment include a number of large disposals, such as Vivendi's continued withdrawal from its stake in NBC Universal (United States), EDF's sale of its distribution network in the United Kingdom to a group of investors located in Hong Kong, Axa's sale of part of its life insurance and pension business in the United Kingdom to Resolution Ltd

and Renault's sale of shares in the Swedish lorry builder Volvo AB. Investments included the combination of the Belgian subsidiary of the GDF Suez group, Electrabel, and the British group, International Power plc, which was completed in early 2011. This deal gave rise to different forms of capital outflows at the end of 2010. Other investments included Total's purchase of a Canadian oil exploration company and the SNCF's acquisition of a majority stake in Eurostar International Ltd (see the list of the main deals announced in the media in Table STAT-2.7 in Part Two of this report).

Mergers and acquisitions generally constitute the main component of equity capital transactions. Over the last decade, they have accounted for two-thirds of net equity capital flows on average, excluding real-estate investment (Table STAT_2.1). This proportion was less than 40% in 2010.

The structure of direct investment flows by sector shows that the decline in foreign transactions over the last two years varies depending on the sector.

Companies in the financial sector continued to invest more than 15 billion, accounting for 30% of annual flows. The largest falls in investment concerned the accommodation and food services sector and, more especially, the information and communication sector, which cut back their foreign business significantly (Table STAT_2.5).

The geographical structure shows that the 27 European Union countries received 62% of France's net outward direct investment flows in 2010 (61% for the 16 euro area countries). Other industrialised countries received 23% and the rest of the world received 15%. The main destinations of the flows are countries that host holding companies and other financial subsidiaries of international groups because of their legal, financial and tax rules. Some of these funds are then reinvested in other countries. The top three destinations of outward direct investment flows are Belgium (19%), the Netherlands (18%) and Switzerland (14%). They are followed by the United States (10%) and Luxembourg (6%). The top destination among emerging countries is Brazil, with 6% of the flows, followed by China, Singapore, Russia and Morocco (Table STAT_2.3).

² The balance of payments records reinvested earnings, the undistributed share of direct investment enterprises' current income attributable to direct investors, both as direct investment income in the current account and as direct investment in the financial account. Developments in reinvested earnings are discussed in Chapter 1 of this Report.

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.

I|2 Inward foreign direct investment

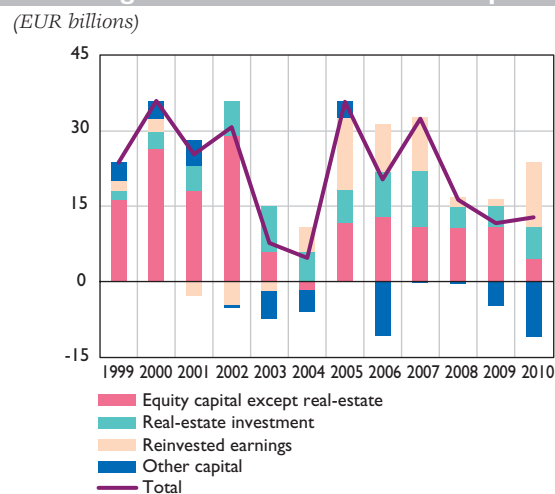
Inward foreign direct investment was stable in 2010, standing at 13 billion, following 12 billion in 2009 and 16 billion in 2008. The stable aggregate figure masks important changes in the individual components. Earnings growth, as was the case for outward direct investment, led to a large increase in reinvested earnings, which returned to the level seen in previous years at 13 billion. On the other hand, the balance on the other components of inward direct investment were in equilibrium, as new investments just matched disposals.

Equity capital transactions (excluding real-estate investment), which had exceeded 10 billion each year from 2005 to 2009, fell to 5 billion in 2010, returning to a level comparable to that seen in 2003 and 2004 (Chart C2-3).

After falling by more than 60% in 2008 from the record level of 11 billion in the previous year, real-estate investment was steady at 4 billion in 2009, before rising again in 2010. However, at 6 billion, it still falls far short of its peaks in 2006 and 2007 and just matches the average level seen between 2001 and 2005.

Finally, intercompany loans, when restated according to the extended directional principle, show net outflows of 11 billion, which signals that resident subsidiaries of foreign groups are transferring cash to their parent companies or to fellow enterprises.

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



Several equity capital deals resulted in a change of ownership between non-resident shareholders, which had no impact on net equity capital flows. Other deals include acquisitions, such as the acquisition of an equity interest in the automobile equipment maker Faurecia by One Equity Partners (United States) in exchange for a stake in the American company Emcon Technologies, which was recorded in outward direct investment, along with the acquisition of three companies that do the bulk of their business over the Internet: Leboncoin.fr, sold by the Spir Communication group (Ouest-France) to the Norwegian group Schibsted; PriceMinister, which was acquired by a Luxembourg holding company belonging to the Japanese Rakuten group; SeLogger.com, in which the German group

Inward foreign direct investment flows T2-3

All resident sectors

(EUR billions)

	2007	2008	2009	2010
Equity capital (excluding real-estate investment)	11.0	10.7	10.9	4.6
New investments	49.0	35.6	23.9	17.8
Disposals	-38.1	-24.8	-13.1	-13.2
Banking sector	-1.2	-0.7	6.8	1.8
New investments	1.2	4.2	7.4	2.4
Disposals	-2.5	-4.9	-0.7	-0.6
Other sectors	12.2	11.4	4.1	2.9
New investments	47.8	31.4	16.5	15.4
Disposals	-35.6	-20.0	-12.4	-12.5
Real-estate investment	11.0	4.3	4.3	6.4
New investments	15.0	7.2	5.3	8.3
Disposals	-3.9	-3.0	-1.0	-1.9
Reinvested earnings (all resident sectors)	10.7	1.8	1.3	12.8
Other capital (a)	-0.3	-0.6	-4.8	-11.0
Total	32.4	16.3	11.6	12.8

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

Axel Springer acquired a 12.4% stake as part of a takeover bid that continued into the first half of 2011.

Disposals included the sale by Financière Light III, a Luxembourg holding company belonging to the American investment fund KKR, and Legron B.V., a Dutch subsidiary of the French group Wendel, of a further share of their equity stake in Legrand. The Luxembourg fund Qatari Diar Real Estate Investment Company sold the French company Cegelec to the Vinci group in exchange for an equity stake in Vinci and the Rio Tinto – Alcan group sold its packaging subsidiary, with Fonds Stratégique d'Investissement acquiring an equity stake (Table STAT_2.8). The high number of disposals means that inward mergers and acquisitions resulted in a net outflow of 1 billion, in contrast to total inflows of 5 billion in the form of equity capital transactions, excluding real-estate investments (Table STAT_2.2).

The sectors attracting inward investment include real-estate (including real-estate services), which contributed a net inflow of 7 billion. On the other hand, sectors seeing a decline in inward investment included wholesale and retail trade, repair of motor vehicles and motor cycles, and administrative and support services (Table STAT_2.6).⁴

The geographical structure of inward investment shows two countries making a major contribution: Luxembourg (13 billion) and the United States (5 billion), whereas net flows from France's main trading partners were neutral or even negative in some cases (Ireland, Switzerland, Sweden; Table STAT_2.4). The outsized role of Luxembourg stems from its

position as the preferred hub of investment funds from different countries in Europe or elsewhere.

2 | Portfolio investment

Portfolio investment resulted in a net inflow of capital, as it did in the two previous years, but the inflow was much smaller at 120 billion in 2010, compared to 251 billion in 2009 (Table T2-4).

In 2008 and 2009, these inflows stemmed primarily from a large increase in non-residents' purchases of securities issued by residents (denoted as liabilities in Table T2-4). The situation changed in 2010. Residents' sales of securities issued by non-residents (assets) came to 23 billion, following purchases of 77 billion 2009. This partially offset the big drop in non-residents' purchases of securities issued by residents, which fell from 329 billion to 97 billion.

The structure of portfolio investment by sector changed substantially in 2010 (Table T2-5 and Chart C2-4). In 2009, non-residents' purchases of securities issued by residents, and in particular by SFEF (Société de financement de l'économie française) resulted in a large inflow of capital. SFEF is a non-monetary financial institution, but its securities issuance financed monetary financial institutions (MFIs).

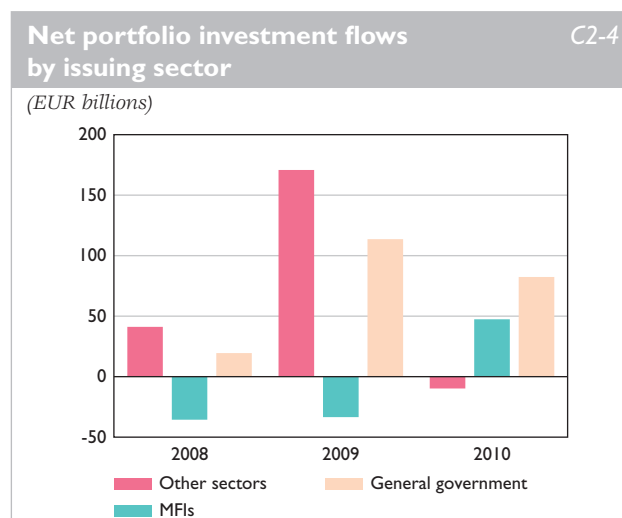
Transactions in government securities resulted in another large inflow of 82 billion in 2010, following an inflow of 114 billion in 2009. The balance on transactions in securities issued by MFIs went from an outflow of

Portfolio investment by instrument									T2-4
(EUR billions)									
	2008			2009			2010		
	Assets	Liabilities	Balance	Assets	Liabilities	Balance	Assets	Liabilities	Balance
Equity securities	-39.3	-1.9	-41.2	-31.6	36.0	4.4	-21.4	-9.0	-30.4
Mutual fund shares/units	-0.2	-9.0	-9.2	4.4	17.0	21.4	4.4	2.7	7.1
Bonds and notes	3.8	80.9	84.7	-11.6	199.2	187.6	-0.2	99.5	99.3
Short-term debt securities	-62.6	53.3	-9.3	-38.6	76.3	37.7	40.4	3.5	43.9
Total	-98.3	123.3	25.0	-77.4	328.5	251.1	23.2	96.7	119.9

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.

⁴ The estimated reinvested earnings in 2010 have not been broken down by sector. This means that inward foreign direct investment broken down by sector shows a zero balance in 2010.

Portfolio investment by issuing sector		T2-5		
(EUR billions)				
	2008	2009	2010	
Assets	-98.3	-77.4	23.2	
General government	-79.2	-36.3	35.6	
MFIs	-50.5	-64.0	14.3	
Other sectors	31.5	22.9	-26.7	
Liabilities	123.3	328.5	96.7	
General government	98.7	149.9	46.8	
MFIs	14.9	30.5	33.1	
Other sectors	9.7	148.0	16.9	
Balance	25.0	251.1	119.9	
General government	19.5	113.6	82.4	
MFIs	-35.6	-33.4	47.4	
Other sectors	41.2	170.9	-9.8	



33 billion in 2009 to an inflow of 47 billion in 2010. This does not represent much of a change in the structure of portfolio investment by sector, since it stems primarily from the end of SFEF's intermediation and the revival of long-dated securities issued directly by MFIs, which were greater than in the second half of 2009.

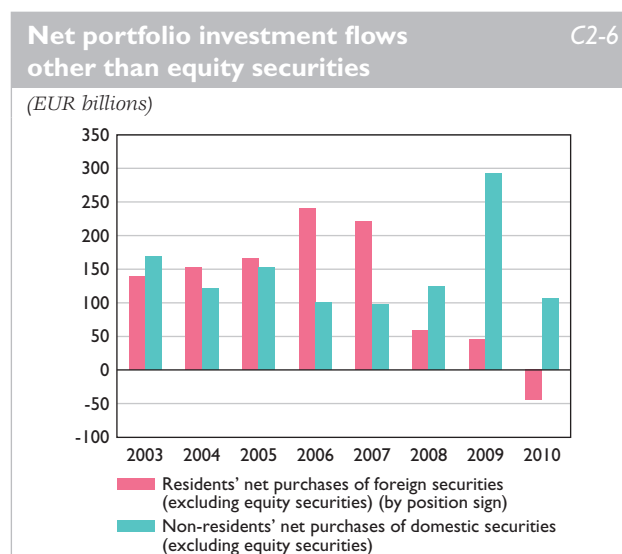
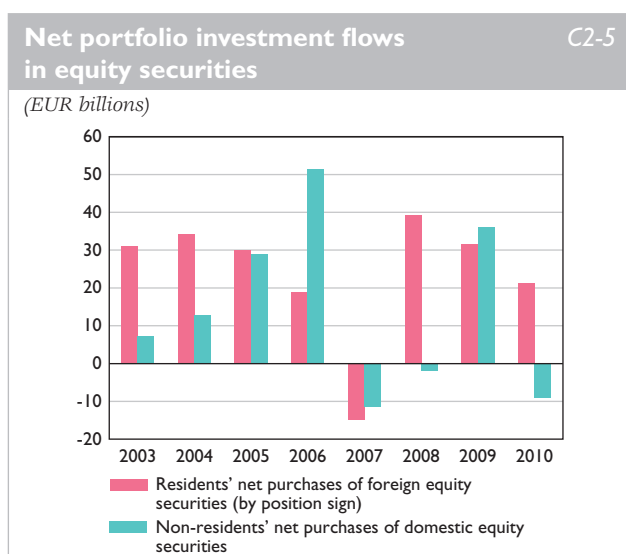
were net sellers of 45 billion in such instruments in 2010, after substantially cutting back their purchases in 2008 and 2009 (Chart C2-6 and Table STAT_3.2).

The structure of portfolio investment flows by type of securities shows that net flows in listed equities resulted in a capital outflow of 30 billion, following a small inflow in 2009 (Chart C2-5).

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

The net capital inflow of 150 billion posted in 2010 stems from the flows concerning financial instruments other than equity securities, such as bonds, shortterm debt securities and mutual fund units/shares, and follows a net inflow of 247 billion in 2009. French residents

For the first time in more than ten years, residents were net sellers of securities issued by non-residents, with net sales of 23 billion in 2010, whereas they had been net buyers of more than 170 billion in such securities each year from 2003 to 2007 and still made net purchases of 77 billion in 2009 (Table T2-6). The trends were different by instrument, by investor's sector or by issuer's geographical zone.



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

T2-6

(EUR billions)

	2008			2009			2010		
	MFIs	Other sectors (a)	Total	MFIs	Other sectors (a)	Total	MFIs	Other sectors (a)	Total
Euro area issuers	-34.5	-25.3	-59.8	-17.3	-91.4	-108.7	65.7	-67.0	-1.3
Equity securities and mutual fund shares/units	-4.3	-26.0	-30.4	-2.0	-21.3	-23.3	-10.7	-5.0	-15.7
Bonds and notes	-5.3	0.1	-5.2	34.0	-63.4	-29.5	53.4	-57.1	-3.7
Short-term debt securities	-24.8	0.6	-24.2	-49.3	-6.6	-56.0	23.0	-4.9	18.1
Issuers outside the euro area	-12.8	-25.7	-38.5	40.6	-9.3	31.3	36.1	-11.6	24.5
Equity securities and mutual fund shares/units	3.3	-12.3	-9.0	0.2	-4.1	-3.9	-2.7	1.4	-1.3
Bonds and notes	8.7	0.3	9.0	36.9	-19.0	17.8	30.0	-26.5	3.5
Short-term debt securities	-24.8	-13.6	-38.4	3.5	13.9	17.4	8.8	13.5	22.3
All issuers	-47.3	-51.0	-98.3	23.3	-100.7	-77.4	101.8	-78.6	23.2
Equity securities and mutual fund shares/units	-1.1	-38.3	-39.4	-1.8	-25.5	-27.2	-13.4	-3.6	-17.0
Bonds and notes	3.4	0.4	3.8	70.8	-82.5	-11.6	83.4	-83.6	-0.2
Short-term debt securities	-49.6	-13.0	-62.6	-45.8	7.2	-38.6	31.8	8.6	40.4

(a) including general government and monetary authorities.

The structure by instrument shows that sales of securities issued by non-residents primarily concerned short-term debt securities, standing at 40 billion. Flows concerning bonds and notes were virtually nil, but residents continued to buy foreign equity securities, despite a drop from 32 billion in 2009 to 21 billion in 2010.

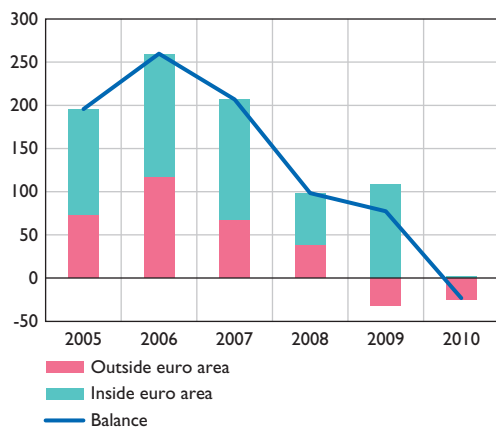
The structure by geographical zone (Chart C2-7) shows net sales of 25 billion in securities issued outside of the euro area, particularly in Japan and offshore financial centres (Tables STAT_3.1 and STAT_3.2 show details of

flows by geographical zone). Investment flows to the euro area were virtually nil (after 109 billion in 2009), with the exception of 13 billion in investment in equity securities, but these were offset depending on the issuer's geographical zone (Table STAT_3.1). Resident investors preferred euro area securities in 2009, especially from high-yield countries. MFIs sold off securities from outside the euro area, but continued to invest in euro area securities. Other sectors made massive purchases of euro-area securities. This changed in 2010 and MFIs' sales of securities from outside the euro area no longer gave

Residents' purchases of securities issued by non-residents inside and outside the euro area (by sign position)

C2-7

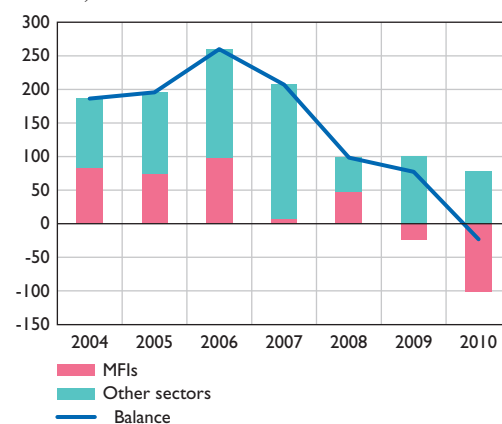
(EUR billions)



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

C2-8

(EUR billions)



rise to reinvestment in the euro area as a whole. To the contrary, unlike other sectors, MFIs, which, it must be remembered, do not include the central bank, sold off their holdings of euro-area securities as well.

All in all, the structure by investor's sector shows that sales of securities issued by non-residents are mainly attributable to MFIs, with sales of 102 billion, following 23 billion in 2009 (Table T2-6 and Chart C2-8).

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

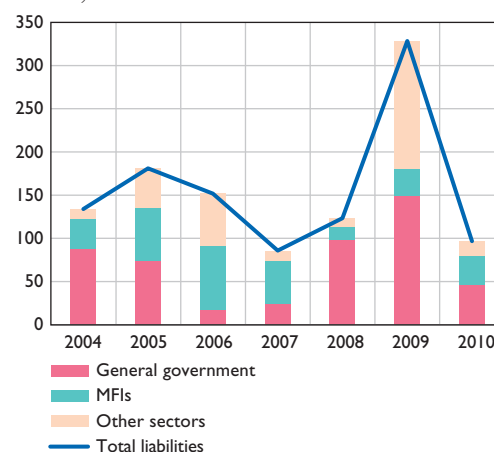
Non-residents' net purchases of French securities came to 97 billion in 2010, down substantially from 329 billion in 2009 (Table T2-7 and Chart C2-9).

The structure of inward investment flows by domestic economic sector was fairly similar to the structure of issuance. Nearly half of the purchases concerned government securities (47 billion), one third (33 billion) concerned securities issued by MFIs and approximately one sixth concerned securities issued by other sectors, including equity securities issued by non-financial corporations and mutual funds other than money market funds.

As mentioned above, the exceptional share of other sectors in 2009 was due to SFEF's issuance, which actually benefited MFIs. In 2010, other sectors saw flows that once again appeared consistent with their real economic weight.

Non-residents' purchases of French securities by issuing sector C2-9

(EUR billions)



Most of non-residents' net purchases of French securities concerned bonds and notes, resulting in a 100-billion capital inflow. Inward investment in money market instruments dropped sharply to 4 billion. Non-residents still purchased more than half of French residents' debt security issues in 2010. The pattern in 2009, when non-residents purchased the bulk of these issues, appears to be exceptional.

Major purchases of equity securities and mutual fund units/shares in 2009 gave way to 6 billion in sales in 2010 (Table T2-7). Overall, sales concerned securities issued by MFIs (13 billion), whereas securities issued by other sectors (equity securities issued by non-financial corporations and mutual funds other than money market funds) posted purchases of 7 billion (Table STAT_3.3).

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

(EUR billions)

	2008				2009				2010			
	Gen. govt.	MFIs	Other sectors	Total	Gen. govt.	MFIs	Other sectors	Total	Gen. govt.	MFIs	Other sectors	Total
Equity securities and mutual fund	0.0	8.3	-19.2	-10.9	0.0	7.6	45.4	53.0	0.0	-13.2	6.8	-6.3
Bonds and notes	45.4	11.6	23.9	80.9	79.2	17.7	102.3	199.2	50.9	39.0	9.6	99.5
Euro	44.6	11.0	12.2	67.8	72.4	23.6	58.7	154.7	47.1	23.2	6.1	76.4
Foreign currencies	0.8	0.5	11.7	13.0	6.8	-5.9	43.6	44.5	3.7	15.9	3.6	23.1
Short-term debt securities	53.3	-5.0	5.0	53.3	70.7	5.2	0.4	76.3	-4.1	7.2	0.4	3.5
Euro	49.7	-10.1	2.0	41.6	60.8	0.3	0.4	61.6	-3.5	10.6	-0.5	6.6
Foreign currencies	3.6	5.1	3.0	11.7	9.9	4.9	0.0	14.7	-0.5	-3.4	0.9	-3.0
Total	98.7	14.9	9.7	123.3	149.9	30.5	148.0	328.5	46.8	33.1	16.9	96.7

Non-residents were net buyers of 47 billion in French government securities (following purchases of 150 billion in 2009). These purchases represent 50% of net issuance by general government (94 billion), compared to more than 90% in 2009. This change stems in part from the change in the structure of general government issuance. In 2010, general government issuance consisted primarily of long-term securities, as outstanding short-term debt was reduced. Since non-residents tend to buy more short-term securities than long-term securities (Table STAT_3.3), the ongoing consolidation of government debt has resulted in a relative decline in inward investment. This means that the share of negotiable government securities (OAT, BTAN and BTF) held by non-residents, which had risen steadily over 15 years, stabilised at 68% in 2010 (Chart C3-8 in Chapter 3).

3 | Other investment (deposits and loans)

Deposit and loan transactions with non-residents still showed a negative balance of -92 billion in 2010, following -147 in 2009.⁵ The minus sign represents a net reduction

of French residents' debt. A major decrease in liabilities accounted for the net balance in 2009. In contrast, the net balance in 2010 is due to a sharp increase in assets, which were up by 119 billion, and a moderate rise in liabilities, which increased by 26 billion (Table T2-8).

Following two years of large reductions in MFIs' international debt (large decrease in liabilities, by 135 billion in 2008 and 143 billion in 2009, that was larger than the decrease in assets), 2010 saw an increase in MFIs' assets of 104 billion and an increase of 57 billion in their liabilities (Chart C2-10). The data published by the Bank for International Settlements (BIS) showed a similar pattern: a recovery in cross-border financing activity, with aggregate flows of banks' cross-border loans standing at USD 929 billion in 2010, following a massive decline of USD 1,721 billion⁶ in 2009. MFIs' loan and deposit transactions in 2010 resulted in a net outflow of funds, as they did in 2008, producing a reduction in the aggregate stock of outstanding debt.

The Banque de France's transactions resulted in a net outflow of EUR 42 billion in 2010, which was similar to the figure for 2009.

Other investment (deposits and loans)		T2-8		
<i>(EUR billions)</i>				
	2008	2009	2010	
Other investment	63.1	-147.4	-92.3	
Assets	53.6	58.1	-118.6	
Liabilities	9.5	-205.5	26.3	
Banque de France	141.5	-47.0	-42.3	
Assets	11.0	-2.7	-10.9	
<i>of which claims on the ESCB (TARGET)</i>	0.0	0.0	0.0	
Liabilities	130.5	-44.2	-31.4	
<i>of which liabilities towards the ESCB (TARGET and swaps)</i>	105.7	-55.7	-33.7	
General government	7.8	-5.0	-3.2	
Assets	2.1	-0.6	-3.5	
Liabilities	5.6	-4.5	0.3	
Monetary financial institutions	-101.3	-75.8	-46.6	
Assets	33.8	67.2	-103.8	
Euro	18.5	35.7	-74.4	
Foreign currencies	15.3	31.4	-29.4	
Liabilities	-135.1	-142.9	57.2	
Euro	-57.5	-94.0	59.2	
Foreign currencies	-77.6	-48.9	-2.0	
Other sectors (a)	15.2	-19.7	-0.2	

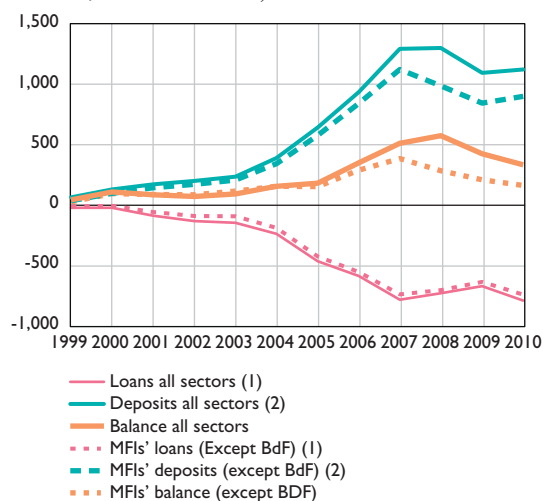
(a) Non-financial corporations, non-monetary financial intermediaries, insurance companies.

⁵ Residents' "other investment" position showed a debit of 358 billion at the end of 2009 and a debit of 279 billion in 2010, including 175 billion attributable to MFIs.

⁶ Variation at constant exchange rates. Source: "Locational Banking Statistics", BIS, fourth quarter 2010.

Loans and deposits of all resident sectors C2-10 (including MFIs)

(cumulative flows, EUR billions)



- (1) Negative flows correspond to an increase in loans.
Positive flows correspond to a decrease in loans.
- (2) Negative flows correspond to a decrease in deposits.
Positive flows correspond to an increase in deposits.

Interbank transactions still accounted for the majority of loans and deposits in 2010, as was the case in 2009, with 39 billion in loans and 94 billion in deposits (Charts C2-11 and C2-12; see also Chapter 3, which shows the preponderant share of such transactions in the MFIs' international investment position).

The increase in interbank liabilities, which accounted for 39 billion of the 57-billion increase in MFIs' loan-deposit liabilities, including non-bank deposits (Table T2-9), stems mainly from euro-denominated transactions with counterparties outside of the euro area, and in the United Kingdom in particular. Similarly, interbank loans, which were up by 94 billion in 2010, were primarily granted to counterparties outside of the euro area, with euro loans to counterparties in the United Kingdom accounting for the largest share (Chart C2-12).

3|2 Deposits and loans of the Banque de France, general government and other sectors

3|1 Deposits and loans of monetary financial institutions⁷

The bulk of MFIs' deposit and loan flows concerned short-term transactions (Table T2-9). This means that 76 billion of the 104-billion increase in loans to non-residents concerned short-term loans. Short-term deposits and loans also accounted for the bulk of the increase in debt from 44 billion to 57 billion.

The financial statements of the Banque de France show a net capital outflow of 42 billion in balance of payments terms in 2010, which is similar to the figure for 2009. The outflow stems from a 34-billion reduction in liabilities towards the European System of Central Banks (ESCB) (Chart C2-13 and Table STAT_4.16).

This trend is in line with the sharp drop in commercial banks' reliance on central bank refinancing in 2010,

Other investment

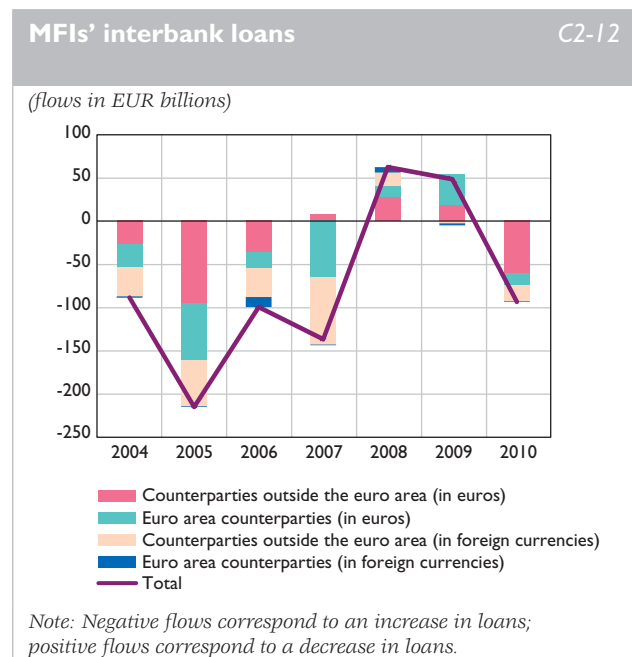
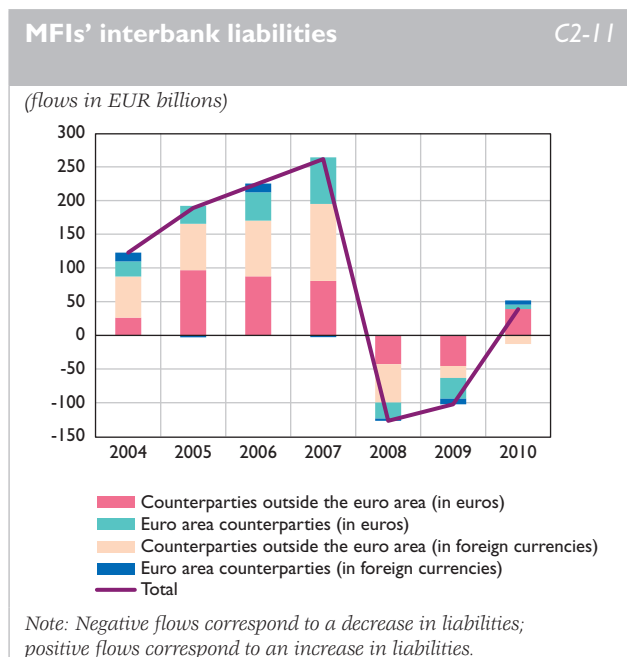
Resident MFIs' flows of loans and deposits

T2-9

(EUR billions)

	Vis-à-vis the rest of the world			Vis-à-vis countries outside of the euro area		
	2008	2009	2010	2008	2009	2010
Assets	33.8	67.2	-103.8	21.5	63.0	-84.0
Long-term	-44.8	-9.9	-28.2	-32.5	-3.5	-16.8
Short-term	78.6	77.0	-75.6	53.9	66.5	-67.1
Liabilities	-135.1	-142.9	57.2	-114.3	-101.0	24.4
Long-term	-42.9	-48.8	12.9	-36.8	-41.9	-10.8
Short-term	-92.2	-94.1	44.3	-77.5	-59.1	35.3
Net flows	-101.3	-75.8	-46.6	-92.8	-38.0	-59.5
Long-term	-87.7	-58.7	-15.2	-69.3	-45.4	-27.7
Short-term	-13.6	-17.0	-31.3	-23.5	7.4	-31.9

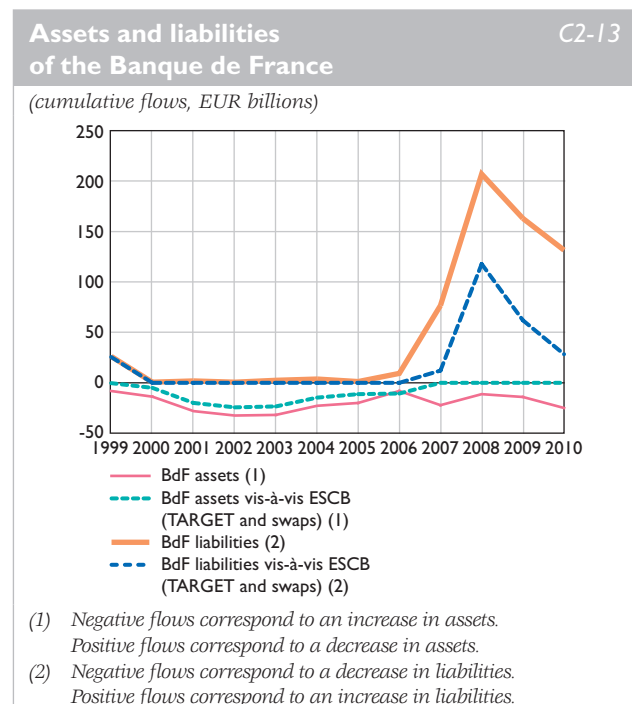
⁷ Except Banque de France.



compared to the two previous years.⁸ In addition, central banks from outside the euro area increased their deposits by some 10 billion.⁹

The general government sector posted a small net outflow of 3 billion, which was similar to the figure for 2009. This outflow stemmed from an increase in its foreign assets, following the payment of 4.4 billion to Greece as part of the European plan to support Greece.

Enterprises in other sectors (except investment companies), which primarily means non-financial corporations, posted a small net inflow. The 4-billion decrease in their assets in 2010, following an increase of 8 billion in 2009, was partially offset by the 1-billion decrease in their liabilities,¹⁰ in contrast with the sharper 6 billion decrease posted in 2009¹¹ (Table T2-1).



⁸ The Banque de France's assets arising from bank refinancing decreased from 121 billion in 2009 to 35 billion euros in 2010. See page 3 of the Banque de France financial statements, accessible through the following link: http://www.banque-france.fr/fr/instit/telechar/communiqués/2011/rapport-annuel_bdf-2010.pdf.

⁹ Reserve asset flows are not classified with the central bank's other investment. Changes in these assets are presented in Chapter 3 on the international investment position.

¹⁰ With no change in the amount of the international portion of syndicated loans.

¹¹ The statistics that the BIS compiles on international banking assets show a broader trend than the one presented here, with a bigger decrease in 2009, followed by sharper increases in loans granted by foreign banks to the domestic non-bank sector in 2010.

Box I

Revisions of 2008 and 2009 balance of payments data

Balance of principal balance of payments components

(EUR billions)

	2008			2009		
	Annual Report 2009	Annual Report 2010	Revisions	Annual Report 2009	Annual Report 2010	Revisions
Current account	-37.1	-33.7	3.4	-36.8	-28.4	8.4
Goods	-59.4	-59.4	0.0	-44.6	-43.1	1.5
Merchandise	-56.9	-56.9	0.0	-43.6	-43.6	0.0
Customs data	-55.1	-55.1	0.0	-42.9	-42.9	0.0
Services	17.2	16.5	-0.7	11.5	10.2	-1.3
Transportation	-0.9	-1.1	-0.2	-0.7	-0.7	0.0
Travel	10.3	10.5	0.2	7.8	8.0	0.2
Other services	7.8	7.0	-0.8	4.5	2.9	-1.6
Income	29.2	33.4	4.2	23.1	31.6	8.5
Compensation of employees	9.5	9.4	0.0	9.5	9.6	0.1
Investment income	19.7	24.0	4.2	13.7	22.0	8.4
Direct investment	22.6	26.0	3.4	17.7	25.7	8.0
Portfolio investment	6.8	6.8	0.0	-0.1	0.1	0.1
Other investment	-9.7	-8.9	0.8	-4.0	-3.7	0.3
Current transfers	-24.1	-24.2	-0.1	-26.9	-27.1	-0.2
Capital account	0.7	0.7	0.0	0.3	0.3	0.0
Financial account	26.7	18.3	-8.4	59.4	41.1	-18.3
Foreign direct investment	-67.5	-62.0	5.4	-63.0	-49.6	13.4
Outward	-110.0	-105.8	4.1	-105.9	-74.1	31.8
of which: equity capital	-58.7	-59.0	-0.3	-38.2	-39.2	-1.0
reinvested earnings	-5.4	-7.7	-2.3	-2.1	-8.6	-6.5
other capital (conventional presentation)	-45.9	-39.2	6.7	-65.7	-26.4	39.4
other capital (extended directional principle)	-15.1	-11.6	3.5	-18.6	-13.5	5.1
Inward	42.5	43.8	1.3	42.9	24.5	-18.4
of which: equity capital	15.1	15.0	-0.1	12.0	15.1	3.1
reinvested earnings	-0.9	1.8	2.8	2.1	1.3	-0.8
other capital (conventional presentation)	28.3	27.0	-1.3	28.8	8.1	-20.8
other capital (extended directional principle)	-2.4	-0.6	1.8	-18.3	-4.8	13.5
Portfolio investment	40.5	25.0	-15.5	270.0	251.1	-19.0
Assets (residents' transactions in securities issued by non-residents)	-87.1	-98.3	-11.2	-60.6	-77.4	-16.8
Equity securities and mutual fund shares/units	-19.3	-39.4	-20.1	-21.5	-27.2	-5.7
Bonds and notes	-4.6	3.8	8.3	-16.7	-11.6	5.1
Short-term debt securities	-63.2	-62.6	0.6	-22.4	-38.6	-16.2
Liabilities (non-residents transactions in securities issued by residents)	127.6	123.3	-4.3	330.7	328.5	-2.2
Equity securities and mutual fund shares/units	-7.8	-10.9	-3.1	48.1	53.0	4.9
Bonds and notes	84.1	80.9	-3.2	202.9	199.2	-3.7
Short-term debt securities	51.4	53.3	1.9	79.7	76.3	-3.4
Financial derivatives	-16.4	-16.4	0.0	-2.1	-16.9	-14.8
Other investment	61.4	63.1	1.7	-149.4	-147.4	2.0
Assets	52.6	53.6	1.0	64.0	58.1	-5.9
of which: Monetary financial institutions	33.8	33.8	0.0	67.2	67.2	0.0
Liabilities	8.8	9.5	0.6	-213.4	-205.5	7.9
of which: Monetary financial institutions	-135.1	-135.1	0.0	-142.9	-142.9	0.0
Reserve assets	8.5	8.5	0.0	3.9	3.9	0.0
Net errors and omissions	9.8	14.8	5.0	-22.9	-13.0	9.9

Note: Rounding differences mean that aggregate totals may not be exactly equal to the sum of their components.
The 2009 Annual Report was published in 2010 and the 2010 Annual Report was published in 2011.

.../...

As part of the work on the annual report, some of the data from previous years were updated. Most of the revisions concerned 2008 and 2009 (see Table opposite).

Main revisions to the current account:

The 2009 data on transactions in goods and services submitted by a large reporting entity were revised. This resulted in the reclassification of nearly 2 billion euros between the goods item (goods for processing) and the services item (surveys and research). Spending by French business travellers in 2008 was revised to correct a problem with the primary data. The revisions to the 2009 data stem from more comprehensive information.

The corrections to investment income in 2008 and 2009 stem primarily from the revision of direct investment income. The earnings of French groups' foreign subsidiaries recorded as receipts were revised by 8 billion compared to the previous year's estimate, once French companies' annual financial statements were analysed. The balance on this item was revised upward for 2009.¹ The 2008 balance of direct investment income was also revised upward, following the gathering of more substantial data on foreign subsidiaries and correction of the earnings of direct investment enterprises in France.

Main revisions to foreign direct investments

All 2009 direct investment items were revised to some extent. Inward investment in equity capital was increased by 3 billion. Some deals were not reported in 2009 and were spotted after the fact when analysing the French direct investment enterprises' financial statements and when updating the financial links between companies. Revisions to the "other capital" item after reclassifying intercompany loans according to the extended directional principle² stem from a reconciliation of individual intercompany lending and borrowing transactions in 2009 with the findings of the survey on resident companies' financial assets and liabilities vis-à-vis other countries. This reconciliation could not be carried out until after the 2009 Annual Report on the French Balance of Payments and International Investment Position was published because of the delays in gathering the survey data. This lag will be reduced after 2011. Revisions to French investors' loans to their non-resident subsidiaries paralleled revisions to foreign investors' loans to their resident subsidiaries and the aggregate revision led to a change of 19 billion in the net balance on direct investment flows. This figure results from the 5-billion downward revision of loans by French groups to their foreign subsidiaries and a downward revision of 14 billion in loans and cash flows from foreign parents to subsidiaries located in France.

Main revisions to portfolio investment and financial derivatives:

The main revisions to portfolio investment concerned assets and increased capital outflows by 11 billion in 2008 and by 17 billion in 2009. They are the result of further data collected from reporting entities. The revisions concerning French securities are slight, increasing capital inflows by 4 billion in 2008 and by 2 billion in 2009. They are the result of improved tracking of transactions in registered equities held by the issuer's custodian. The coverage of securities issued by residents, and by special purpose vehicles in particular, also improved.

The balance of transactions in financial derivatives was also revised to account for new information provided following further questioning by reporting entities. Payments in this area, where total notional amounts are very large, was revised by 15 billion.

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".

² See footnote 1 in this Chapter.

Chapter 3

International investment position

PART I – THE FRENCH BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

Chapter 3 – The international investment position

The French international investment position from 2009 to 2010

T3-1

(foreign direct investment estimated at market value)

(EUR billions)

	Stocks end 2009	Balance of payments flows in 2010 (a)	Variations attributable to changes in exchange rates, market prices and other adjustments (a)				Total variations between end 2009 and end 2010 (a)	Stocks end 2010
			Total	Variation in exchange rates	Variation in market prices	Other adjustments		
			1	2	3	4 = (2 + 3)		
Direct investment	401.2	37.9	-53.9	37.5	-90.3	-1.1	-16.0	385.2
Outward	1,153.4	63.5	-77.0	43.5	-119.8	-0.7	-13.5	1,139.8
Equity capital	811.5	44.4	-85.0	35.5	-119.8	-0.7	-40.6	770.9
Other capital	341.9	19.1	8.0	8.0	0.0	0.0	27.1	369.0
Other capital (extended directional principle)	74.8	6.3	1.3	2.0	0.0	-0.7	7.6	82.4
Inward	-752.2	-25.6	23.2	-5.9	29.5	-0.4	-2.4	-754.7
Equity capital	-455.7	-23.8	29.1	0.0	29.5	-0.4	5.2	-450.5
Other capital	-296.5	-1.8	-5.9	-5.9	0.0	0.0	-7.7	-304.2
Other capital (extended directional principle)	-29.4	11.0	0.7	0.0	0.0	0.7	11.7	-17.6
Portfolio investment	-259.0	-119.9	28.5	12.7	-3.2	19.0	-91.4	-350.4
Foreign securities	2,056.3	-23.2	66.6	41.3	23.6	1.7	43.4	2,099.7
Equity securities and mutual fund	449.2	17.0	44.3	19.9	24.3	0.1	61.3	510.5
Bonds and notes	1,360.8	0.2	10.6	12.1	-1.4	-0.1	10.8	1,371.6
Short-term debt securities	246.3	-40.4	11.8	9.3	0.8	1.7	-28.7	217.6
Domestic securities	-2,315.3	-96.7	-38.1	-28.7	-26.8	17.4	-134.8	-2,450.1
Equity securities and mutual fund	-591.8	6.3	-5.8	-1.9	-8.9	5.0	0.5	-591.3
Bonds and notes	-1,475.3	-99.5	-36.6	-24.2	-17.2	4.9	-136.1	-1,611.3
Short-term debt securities	-248.2	-3.5	4.3	-2.6	-0.7	7.5	0.8	-247.5
Memorandum item: Treasury securities	-827.7	-46.0	-9.9	0.0	-9.9	0.0	-55.9	-883.5
Financial derivatives	-38.4	-34.3	0.0	-			-34.3	-72.7
Other investment	-358.0	92.3	-13.4	-13.4			78.9	-279.1
Trade credits and payments on account	-6.7	-3.1	-1.3	-1.3			-4.4	-11.1
Assets	78.3	0.6	0.8	0.8			1.3	79.6
Liabilities	-85.0	-3.7	-2.1	-2.1			-5.7	-90.7
Deposit and loan position	-351.3	95.4	-12.1	-12.1			83.4	-268.0
Banque de France	-139.1	42.3	-2.7	-2.7			39.7	-99.5
Assets	35.6	10.9	5.4	5.4			16.3	51.8
Liabilities	-174.7	31.5	-8.0	-8.0			23.4	-151.3
General government	7.9	3.5	1.5	1.5			5.0	12.9
Assets	28.2	3.7	1.5	1.5			5.2	33.4
Liabilities	-20.2	-0.3	0.0	0.0			-0.3	-20.5
Monetary financial institutions	-206.9	46.6	-15.1	-15.1			31.5	-175.4
Assets	990.3	103.8	29.1	29.1			132.9	1,123.2
Liabilities	-1,197.3	-57.2	-44.2	-44.2			-101.4	-1,298.6
Other sectors (b)	-13.2	3.0	4.1	4.1			7.2	-6.0
Assets	76.7	-0.4	3.8	3.8			3.4	80.1
Liabilities	-89.9	3.4	0.3	0.3			3.8	-86.1
Reserve assets	92.4	5.8	26.3	27.5		-1.2	32.1	124.5
Balance	-161.7	-18.2	-12.5	64.3	-93.5	16.7	-30.7	-192.5
International investment position balance/GDP (%)	-8.6							-10.0

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.

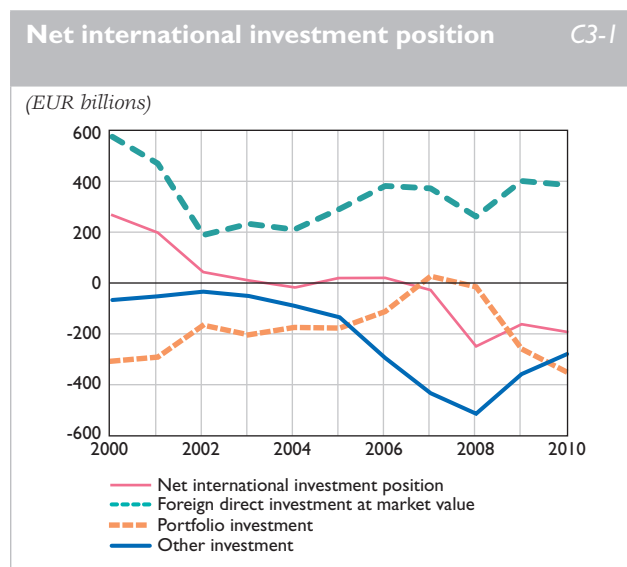
(b) Non-financial corporations, insurance companies, investment firms and mutual funds other than money market funds.

CHAPTER 3

International investment position

The French international investment position at market value showed larger net liabilities in 2010. Residents' liabilities towards non-residents increased from 162 billion euros at the end of 2009 to 192 billion, or 10% of GDP, at the end of 2010 (Table T3-1). The increase in net liabilities stems primarily from the deepening deficit on portfolio investment, where net liabilities increased from 259 billion to 350 billion and, more specifically the increase in non-residents' holdings of French bonds. The 79-billion improvement in the net deposit and loan position of monetary financial institutions (MFIs) and the Banque de France only partially offset this trend.

The change in the international investment position between the end of 2009 and the end of 2010 shows that France received 18 billion in net capital inflows to finance the current account deficit. Falling market prices over the period had a negative impact of 93 billion on the French international investment position, whereas changes in the euro exchange rate improved the position by 64 billion.

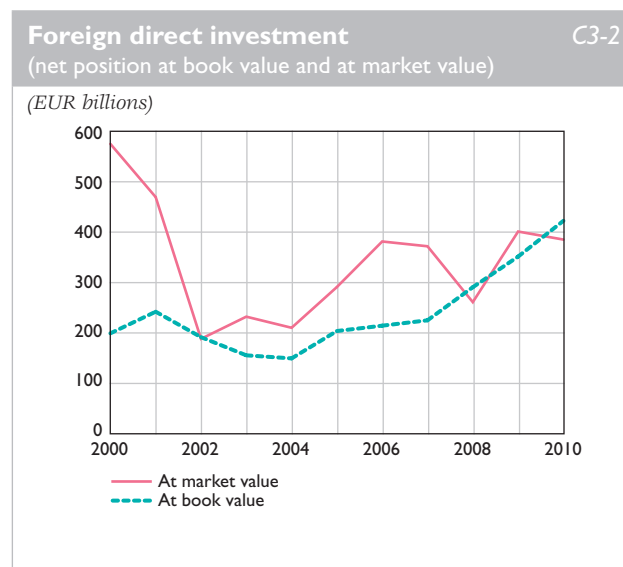


I | Foreign direct investment¹

The French foreign direct investment surplus at book value continued to grow from 351 billion at the end of 2009 to 423 billion at the end of 2010, driven by net inflows of direct investment in 2010 and positive exchange rate effects. On the other hand, negative price effects had a bigger impact on assets than on liabilities, which meant that the net position at market value was down slightly from the end of 2009 at 385 billion (Chart C3-2).²

On the whole, the estimated net position at market value decreased by 16 billion between the end of 2009 and 2010. Net direct investment flows increased it by 38 billion and exchange rate changes contributed 37 billion, whereas “other changes in volume” took away 1 billion and other price changes caused it to decline by 90 billion (Table T3-2).

The overall net price effect is the result of the various characteristics of the different foreign assets and liabilities.



¹ Direct investment is tracked at market value and book value. The book value method is used for the dissemination of detailed information.

² For explanations about the differences between book value and market value, as well as how the stocks of foreign direct investment at market value are calculated, see the article by D. Nivat and A. Tojpol 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”.

PART I – THE FRENCH BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

Chapter 3 – The international investment position

Direct investment at the end of 2009 and the end of 2010

T3-2

(estimated market values)

(EUR billions)

	Stocks end 2009 (a)	Balance of payments transactions in 2010 (b)	Variations attributable to changes in exchanges rates, market prices and other adjustments (b)				Total variations between end 2009 and end 2010 (b)	Stocks end 2010
			Total	Exchange rate changes (b)	Other price changes (b)	Other changes in volume (b)		
	1	2	3				4 = (2+3)	5 = (1+4)
Outward foreign direct investment	886.3	50.7	-83.7	37.4	-119.8	-1.3	-33.0	853.3
Equity capital	811.5	44.4	-85.0	35.5	-119.8	-0.7	-40.6	770.9
Listed companies	59.6	0.3	6.0	4.6	3.0	-1.5	6.3	65.9
Unlisted companies	713.8	41.1	-92.7	29.5	-123.0	0.9	-51.6	662.2
Real-estate investment	38.0	3.0	1.6	1.4	0.2	0.0	4.7	42.7
Other capital (c)	74.8	6.3	1.3	2.0	0.0	-0.7	7.6	82.4
Inward foreign direct investment	-485.1	-12.8	29.8	0.0	29.5	0.2	17.0	-468.1
Equity capital	-455.7	-23.8	29.1	0.0	29.5	-0.4	5.2	-450.5
Listed companies	-61.8	-0.2	-3.7	0.0	-3.3	-0.4	-3.8	-65.6
Unlisted companies	-258.7	-16.2	36.9	0.0	37.0	0.0	20.7	-238.0
Real-estate investment	-135.2	-7.4	-4.2	0.0	-4.2	0.0	-11.6	-146.8
Other capital (c)	-29.4	11.0	0.7	0.0	0.0	0.7	11.7	-17.6
Net position	401.2	37.9	-53.9	37.5	-90.3	-1.1	-16.0	385.2
Equity capital	355.8	20.6	-55.9	35.5	-90.3	-1.1	-35.4	320.4
Listed companies	-2.2	0.1	2.4	4.6	-0.3	-1.9	2.5	0.3
Unlisted companies	455.1	24.9	-55.8	29.5	-86.1	0.8	-30.9	424.2
Real-estate investment	-97.2	-4.4	-2.6	1.4	-4.0	0.0	-7.0	-104.2
Other capital (c)	45.5	17.3	2.0	2.0	0.0	0.0	19.3	64.8

(a) Revised data.

(b) 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.

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

The price effect can be broken down into four component effects. The first effect is called the “base effect”, which stems from the fact that the stock of outward foreign direct investment at the end of 2009 was greater than the stock of inward foreign direct investment at the same date. If the stocks of inward and outward foreign direct investment lose value at a similar rate, all else being equal, the value of the net position is bound to decrease. In 2010, the base effect contributed 30% of the aggregate price effect.

The second effect is called the “structure effect”, which stems from the fact that 87% of the stock of outward foreign direct investment at the end of 2009 consisted of investment in equity capital, excluding real estate. This means that it suffered more from stock market declines in 2010 than the stock of inward foreign direct investment, where investment in equity capital, excluding real estate, only accounted for two thirds of

the total. The contribution from the structure effect alone on the stocks of inward and outward foreign direct investment, when expressed as one amount and subjected to the same positive or negative change in value for each component, can be estimated at 29% of the overall price effect.

The third effect measures the impact on the net position of different stock market price movements on inward and outward foreign direct investment in listed companies, along with the effect of different real estate price movements in France and other countries, for stocks of the same amount. French real estate prices rose more than foreign prices in 2010. This also had a negative impact and accounted for 4% of the overall price effect.

Finally, the fourth effect, which can be called the “sector effect” measures the impact of differences

Stocks of foreign direct investment at book value

T3-3

(EUR billions)

	2008	2009	2010 (a)
Outward foreign direct investment	714.3	774.8	858.2
Equity capital (excluding real estate)	639.1	679.4	752.0
Real-estate investment	19.4	20.6	23.9
Other capital (b)	55.8	74.8	82.4
Inward foreign direct investment	-423.5	-423.6	-435.7
Equity capital (excluding real estate)	-315.4	-311.5	-331.7
Real-estate investment	-79.9	-82.7	-86.3
Other capital (b)	-28.2	-29.4	-17.6
Net foreign direct investment position at book value	290.8	351.2	422.6

(a) Estimates based on stocks at the end of 2009 and foreign direct investment flows in 2010.

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

in the structure of outward and inward foreign direct investment by sector at the end of 2009 on changes in the value of equity capital investment in unlisted companies. The market capitalisation ratios used to derive the market value from the book value declined very sharply in the financial services, energy, manufacturing and new technology sectors. These sectors accounted for a larger share of outward direct investment than inward direct investment at the end of 2009. Inward direct investment was largely dominated by investment in the wholesale and retail trade sector and the non-financial services sector. Consequently, the loss of value of equity capital held in unlisted companies was greater for outward direct investment than it was for inward direct investment. This effect made a contribution of 37% to the aggregate price effect.

III Outward foreign direct investment³

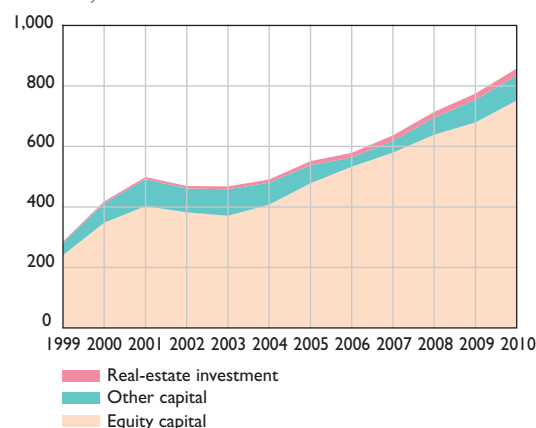
The book value of stocks of outward direct investment stood at 858 billion at the end of 2010, representing an increase of 11% from the end of 2009 (Table T3-3). Investment outflows contributed 60% of the increase, whereas exchange rate effects stemming from the depreciation of the euro vis-à-vis most currencies, and, more specifically, the yen, the Swiss franc, the Brazilian real and, to a lesser extent, the Chinese renminbi and the American dollar, contributed 40% of the increase.

Outward foreign direct investment

C3-3

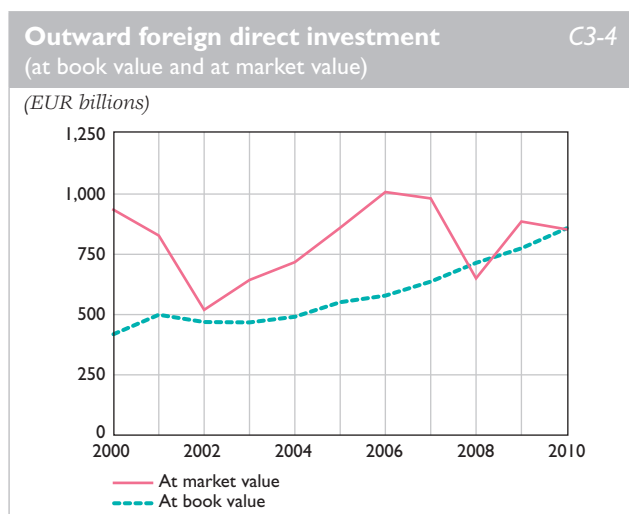
(at book value)

(EUR billions)



The application of the extended directional principle rule to foreign direct investment as of this year greatly reduces the amount of incompany loans compared to the conventional presentation. This means that investments in equity capital now account for the bulk of outward direct investment at book value (more than 87% at the end of 2010), compared to French groups' net lending to their foreign subsidiaries (less than 10% of the total) and real estate investment (3% of the total) (Chart C3-3).

³ When the preliminary international investment position figures for the end of 2010 were being compiled in April and May 2011, the survey data on stocks of foreign direct investment in equity capital and stocks of intercompany liabilities and assets at the end of 2010 were not yet available. Consequently, the stocks of foreign direct investment at book value at the end of 2010 published here are estimated based on stocks at the end of 2009, foreign direct investment flows in 2010 and exchange rate variations for positions in foreign currencies. Stocks of foreign direct investment at market value at the end of 2010 were based on the estimated stocks at book value, adjusted for changes in the market capitalisation ratios of the CAC 40 companies.



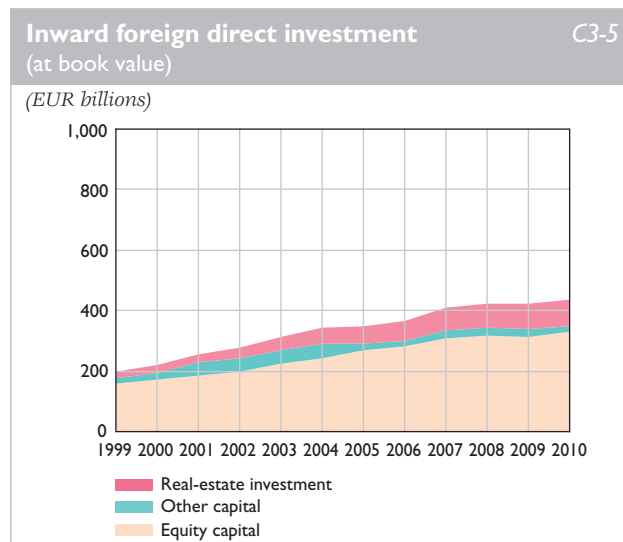
On the other hand, the market value of outward foreign direct investment stocks decreased by 33 billion between the end of 2009 and the end of 2010 to stand at 853 billion. The positive contribution of outward investment flows and exchange rate effects to the increase in the stock was more than offset by the negative price effect (Table T3-2). The market value of outward foreign direct investment, which recovered sharply at the end of 2009, following the financial crisis, was once again at the same level as the book value (Chart C3-4).

Price effects led to contrasting developments, with a slight increase in the value of investment in the equity capital of listed foreign companies, no change in the price of real estate and a loss of value of investment in the equity capital of unlisted companies.⁴ All in all, the loss of value in investment in the equity capital of unlisted foreign companies largely dominated the trends, given the preponderant share of such investment in the stock of foreign direct investment at market value (81% at the end of 2009) and the sharp drop in market capitalisation ratios in 2010, especially in the energy, manufacturing and new technology sectors, and, to a lesser extent, in the financial services sector.⁵

1|2 Inward foreign direct investment

The book value of inward foreign direct investment stood at 436 billion at the end of 2010, representing a very slight increase from the previous year. Net lending to French subsidiaries by non-resident groups accounted for 4% of the stock, real estate investment accounted for another 20% and investment in equity capital (excluding real estate) accounted for 76%. This was very similar to the structure of inward foreign direct investment at the end of 2009 (Chart C3-5). Over the long period, the increase in real estate investment has become more notable and more rapid.

The stock of inward foreign direct investment at market value decreased by 17 billion between the end of 2009 and the end of 2010 to stand at 468 billion at the end of 2010. Despite the decline in the market value of inward direct investment, it was still slightly greater than its book value, in contrast to the situation for outward direct investment (Chart C3-6).



⁴ Unlike the stocks of equity capital investment and real estate investment, the stocks of loans and cash flows between affiliated companies, or “other capital”, are valued at their initial transaction value, which means that they are not affected by changes in asset prices on financial markets.

⁵ We estimated the market value of stocks of foreign direct investment in the equity capital of unlisted companies by calculating market capitalisation ratios (i.e. the ratio of the stock market value to book value) for a reference population of listed companies and then applied this ratio to the equity capital held by direct investors in unlisted companies. This method may have a decisive effect on changes in stocks at market value from year to year, since 74% to 83% of total outward foreign direct investment at market value is invested in unlisted companies.

Box 2

Inward foreign 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 geographical structure of foreign 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 foreign direct investment should be broken down by the country of residence of the ultimate controlling parent.

Identifying the ultimate controlling parents' countries of residence (see table below) reveals that French groups ultimately hold a significant share (61 billion or 14% of the total at the end of 2010) of the stocks of inward foreign direct investment. The presence of these groups among 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.

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

(EUR billions)

	2007	2008	2009	2010	2010 (% of total excluding France)
France	55.2	53.1	58.3	61.4	-
European Union (27 members)	221.8	228.2	225.6	233.5	62.4
Economic and Monetary Union (16 members)	138.4	153.6	154.4	159.7	42.7
of which : Germany	44.7	51.8	52.0	54.6	14.6
Belgium	22.1	20.9	21.3	21.0	5.6
Spain	9.8	11.1	10.3	9.9	2.6
Ireland	4.2	4.3	4.4	3.2	0.9
Italy	16.1	16.0	15.4	14.1	3.8
Luxembourg	19.5	23.0	23.1	27.0	7.2
Netherlands	16.5	21.2	23.2	24.6	6.6
Other European Union countries	83.4	74.6	71.2	73.9	19.7
of which : Denmark	2.2	2.2	2.6	3.2	0.8
Poland	0.1	0.1	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	76.9	67.7	64.2	65.8	17.6
Sweden	4.0	4.3	3.9	4.3	1.1
Other industrialised countries	118.3	125.6	123.2	123.8	33.1
of which : Australia	1.0	1.1	1.1	1.1	0.3
Canada	3.2	2.4	2.0	0.8	0.2
United States	78.4	84.7	82.3	83.1	22.2
Japan	7.8	7.9	7.5	6.9	1.8
Switzerland	26.2	27.6	28.2	29.8	8.0
Rest of the world	16.5	16.7	16.4	16.9	4.5
of which : South Arabia	0.4	0.4	0.4	0.5	0.1
Brazil	1.4	1.7	1.8	1.7	0.5
China	0.3	0.6	0.8	0.5	0.1
Hong Kong	0.4	0.4	0.4	0.5	0.1
British Virgin Islands	1.7	1.6	1.6	1.6	0.4
India	0.5	0.1	0.1	0.0	0.0
Lebanon	1.4	1.9	0.7	1.0	0.3
Qatar	0.6	0.7	0.7	0.7	0.2
Russia	1.1	1.1	1.3	1.3	0.4
Turkey	0.2	0.2	0.1	0.1	0.0
Total	411.7	423.5	423.6	435.7	-
Total excluding France	356.5	370.4	365.2	374.2	100.0

Note: See "Definition of geographical areas" at the end of this report.

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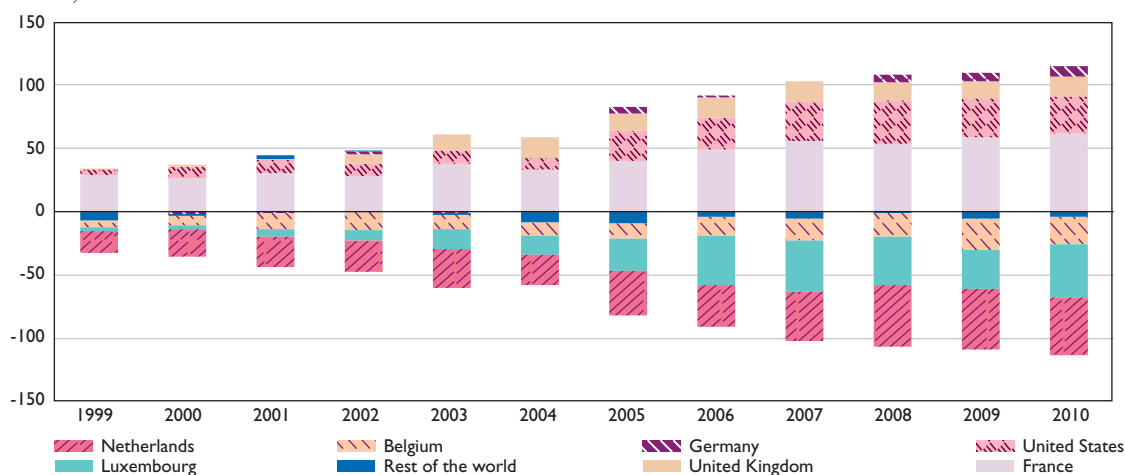
If we exclude France, the country with the largest increase in its relative share, after identifying the country of residence of the ultimate controlling investor, is the United States. Although it ranks only third as the immediate country of origin of capital (behind the Netherlands and Luxembourg,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

The chart opposite 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. 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. However, in 2010, this criterion shows that British groups (since 2002 mainly) and German groups (since 2008) also invest heavily in France, not directly, but through third countries (mainly the Netherlands, Luxembourg and Belgium).

1 See Tables STAT_4.5 and STAT_4.6 in the second part of this report.

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

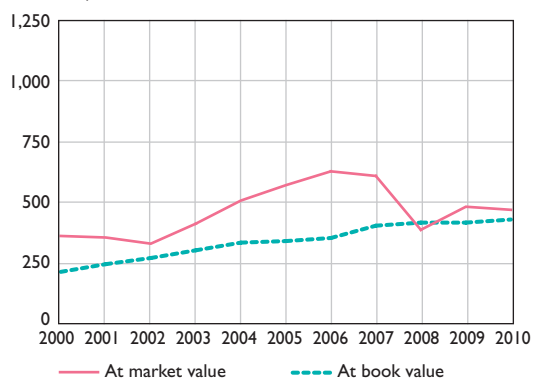
(EUR billions)



Inward foreign direct investment

C3-6

(EUR billions)



Price effects had a negative impact of 37 billion on stocks of investment in the equity capital of unlisted companies, which was greater than the 3-billion increase in value of equity capital investment in listed companies and the 4-billion rise in real estate investment stocks.

2 | Portfolio investment

The net portfolio investment position, which posted a surplus in 2007 and has posted a deficit every year since then, showed a even larger deficit of 350 billion at the end of 2010, compared to a deficit of 259 billion at the end of 2009 (Table T3-4).

The 91-billion increase in the deficit stems from net inflows of 120 billion in 2010, which were partially offset by valuation effects that had a greater impact on residents' assets than on their liabilities towards non-residents. Changes in stock market prices and currency rates in 2010 led to an upward revaluation of 3.2% for outward investment in securities, but only increased the valuation of liabilities by 1.6%.

The net position in general government securities showed net liabilities of 406 billion. The position vis-à-vis the euro area (residents' stocks of euro area government securities minus stocks of French government securities held by euro area residents outside of France) still showed a surplus, but it fell from 142 billion at the end of 2009 to 79 billion at the end of 2010. The net deficit vis-à-vis countries outside of the euro area deepened from 450 billion to 485 billion at the end of 2010 (Table T3-6).

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

Assets increased by 43 billion to stand at 2,100 billion at the end of 2010, but this increase was due solely to positive valuation effects, since balance of payments flows showed that residents were net sellers of foreign securities (Table T3-4).

Long-term debt securities accounted for nearly two thirds of assets, equity securities and mutual fund units/shares accounted for nearly a quarter and money market instruments accounted for approximately 10%. Assets in equity securities increased by 50 billion in 2010 to stand at 362 billion and accounted for 17.2% of total assets. The increase stems from valuation effects, as well as residents' net purchases of foreign equity securities.

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

T3-4

by instrument and by currency (euro/foreign currencies)

(EUR billions)

	2008			2009			2010		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Assets	1,476.5	380.8	1,857.4	1,669.8	386.5	2,056.3	1,667.6	432.1	2,099.7
Equity securities and mutual funds	189.6	151.5	341.1	252.4	196.8	449.2	262.5	248.0	510.5
Equity securities	107.6	116.7	224.3	145.7	166.8	312.5	150.0	212.1	362.1
Mutual fund shares/units	82.0	34.8	116.8	106.7	30.0	136.7	112.5	35.9	148.3
Bonds and notes	1,146.1	161.4	1,307.5	1,225.0	135.8	1,360.8	1,240.3	131.3	1,371.6
Treasury notes maturing at more than one year	22.4	3.3	25.7	45.7	1.4	47.0	55.3	10.9	66.2
Other bonds	1,123.7	158.1	1,281.8	1,179.4	134.4	1,313.8	1,185.1	120.3	1,305.4
Short-term debt securities	140.8	67.9	208.7	192.4	53.8	246.3	164.8	52.8	217.6
Treasury notes maturing at less than one year	15.2	65.5	80.7	26.1	50.9	77.0	30.1	46.7	76.8
Other money market instruments	125.6	2.4	128.0	166.3	2.9	169.3	134.7	6.1	140.8
Liabilities	-1,643.8	-228.7	-1,872.5	-2,016.8	-298.5	-2,315.3	-2,100.6	-349.5	-2,450.1
Equity securities and mutual funds	-441.9	-7.1	-449.0	-578.9	-12.9	-591.8	-577.0	-14.3	-591.3
Equity securities	-361.6	0.0	-361.6	-475.3	-2.1	-477.4	-465.4	0.0	-465.5
Mutual fund shares/units	-80.3	-7.1	-87.4	-103.5	-10.8	-114.4	-111.6	-14.3	-125.9
Bonds and notes	-1,053.2	-198.8	-1,252.0	-1,226.6	-248.6	-1,475.3	-1,312.8	-298.6	-1,611.3
OATs	-426.1	–	-426.1	-469.4	–	-469.4	-518.0	–	-518.0
BTANs	-176.5	–	-176.5	-197.1	–	-197.1	-209.1	–	-209.1
Others (EMTN, etc.)	-450.6	-198.8	-649.4	-560.2	-248.6	-808.8	-585.6	-298.6	-884.2
Short-term debt securities	-148.7	-22.8	-171.5	-211.3	-36.9	-248.2	-210.9	-36.6	-247.5
Treasury notes maturing at less than one year	-94.3	–	-94.3	-161.2	–	-161.2	-156.4	–	-156.4
Other money market instruments	-54.5	-22.8	-77.3	-50.1	-36.9	-87.0	-54.5	-36.6	-91.1
Net position	-167.3	152.1	-15.1	-347.0	88.0	-259.0	-433.0	82.6	-350.4

PART I – THE FRENCH BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION

Chapter 3 – The international investment position

Assets										T3-5
by geographical zone, by instrument and by resident investor's sector										
(EUR billions)										
	2008			2009			2010			
	MFIs	Non-MFIs	Total	MFIs	Non-MFIs	Total	MFIs	Non-MFIs	Total	
Euro area issuers	431.4	742.5	1,173.9	459.2	895.5	1,354.7	397.2	959.9	1,357.1	
Equity securities and mutual funds	23.8	153.4	177.2	29.5	217.0	246.6	40.1	230.0	270.1	
Bonds and notes	341.6	572.0	913.6	313.6	654.2	967.9	262.6	700.5	963.1	
Short-term debt securities	66.0	17.0	83.0	116.0	24.3	140.3	94.5	29.3	123.9	
Issuers outside the euro area	299.3	384.1	683.4	272.1	429.5	701.6	258.4	484.2	742.6	
Equity securities and mutual funds	40.1	123.8	163.9	47.0	155.7	202.6	58.2	182.2	240.4	
Bonds and notes	203.3	190.5	393.9	172.1	220.8	392.9	154.7	253.8	408.5	
Short-term debt securities	55.8	69.8	125.7	53.1	52.9	106.0	45.6	48.1	93.7	
All issuers	730.7	1,126.6	1,857.4	731.3	1,325.0	2,056.3	655.6	1,444.1	2,099.7	
Equity securities and mutual funds	63.9	277.2	341.1	76.5	372.7	449.2	98.2	412.2	510.5	
Bonds and notes	544.9	762.5	1,307.5	485.7	875.1	1,360.8	417.2	954.4	1,371.6	
Short-term debt securities	121.9	86.9	208.7	169.0	77.2	246.3	140.1	77.5	217.6	

Assets are primarily made up of securities from issuers in the euro area, which account for nearly two thirds of total assets in 2009 and 2010 (Table T3-5). Residents' favourite euro area securities were still those from Germany, Italy, the Netherlands and Spain, which accounted for 43.4% of aggregate positions in foreign securities, which was virtually the same figure as in 2009 (Table STAT_4.11). Outside of the euro area, French investors mainly favoured securities from the United Kingdom and the United States, which accounted for 9.0% and 7.8% of total assets, representing a slight increase over 2009. Two thirds of these debt securities issued outside of the euro area were denominated in euros (Table STAT_4.12).

The breakdown of assets by resident investors' sectors shows that MFIs' assets shrank in 2010. However, this decline was more than offset by increases in other sectors' assets, primarily the

assets of other financial intermediaries and insurance companies (Table T3-5).

Residents' assets in euro area government securities fell from 507 billion to 462 billion. This decline is the result of net sales in 2010 and negative valuation effects. Investment in government securities from outside the euro area came to 98 billion, following 90 billion in 2009 and 118 billion at the end of 2008 (Table T3-6).

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

Liabilities stood at 2,450 billion at the end of 2010, compared to 2,315 billion at the end of 2009. The 135-billion increase breaks down into 97 billion in non-residents' purchases and a valuation effect of 38 billion (Table T3-1).

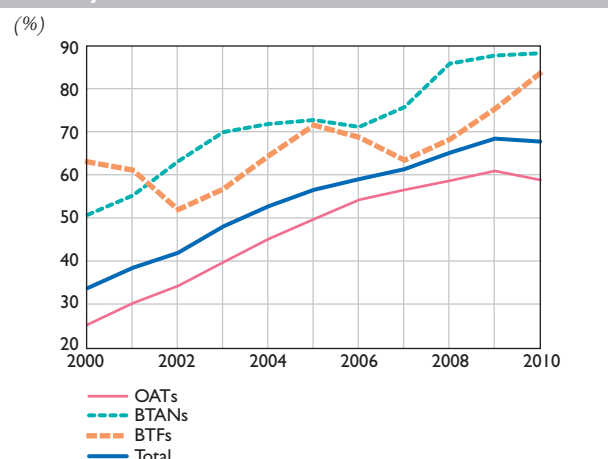
Positions in government securities				T3-6
(EUR billions)				
	2008	2009	2010	
Euro area assets	437.5	507.4	462.5	
Euro area liabilities	-281.1	-365.8	-383.9	
Net position in euro area securities	156.4	141.6	78.6	
Assets outside of the euro area	117.9	89.9	98.1	
Liabilities outside of the euro area	-474.9	-540.1	-583.0	
Net position in securities outside the euro area	-357.0	-450.2	-484.9	
Net position in all areas	-200.6	-308.6	-406.3	

Non-residents' portfolios of equity securities declined slightly in 2010 and accounted for a bit less than 19% of liabilities (Table T3-7). The decline stems from net sales by non-residents, which were partially offset by rising prices. At the same time, the proportion of CAC 40 company shares owned by non-residents stood at 42.4% in 2010, which was two percentage points smaller than the proportion in 2009.⁶

Debt securities of all maturities accounted for nearly three quarters of portfolio investment liabilities. Non-residents purchases account for two thirds of the increase in stocks, which was less pronounced than in 2009.

The proportion of liabilities made up of government securities was virtually stable in 2010 at 39.5%, compared to 39.1% in 2009. Non-residents' share of France's negotiable government debt declined very slightly from 68.4% in 2009 to 67.7% in 2010 (Chart C3-7). The decline stems from the decrease in the proportion of OATs held by non-residents, which had peaked at 60.9% in 2009 and slipped back down to 58.8% in 2010. This decrease was only partially offset in the larger proportions of BTANs and, more specifically, BTFs held by non-residents, but these

Negotiable government securities held by non-residents C3-7



securities account for a substantially smaller stock of liabilities (Chart C3-7).

The structure of government security liabilities by geographical zone (see Table T3-6) shows the dominance of non-residents outside of the euro area. The proportion of government securities held by this group increased from 59.6% in 2009 to 60.3% in 2010.

Liabilities

by resident issuers' sector

T3-7

(EUR billions)

	2008	2009	2010
	-1,872.5	-2,315.3	-2,450.1
General government	-756.0	-905.9	-967.0
Fungible long-term Treasury bonds (OATs)	-426.1	-469.4	-518.0
Other bonds and notes	-44.7	-59.4	-62.2
Treasury notes and bills (BTAN and BTF)	-270.8	-358.3	-365.5
Other money market instrument	-14.5	-18.8	-21.3
Monetary financial institutions	-493.3	-554.5	-583.2
Equity securities	-29.1	-57.0	-43.7
Mutual fund shares/units	-25.7	-25.3	-15.5
Bonds and notes	-386.1	-414.8	-465.1
of which: foreign currencies	-121.4	-117.5	-146.3
Short-term debt securities	-52.4	-57.5	-58.9
Other sectors	-623.2	-854.9	-899.9
Equity securities	-332.5	-420.5	-421.8
Mutual fund shares/units	-61.7	-89.1	-110.3
Bonds and notes	-218.6	-334.6	-356.9
of which: foreign currencies	-60.8	-108.0	-123.1
Short-term debt securities	-10.4	-10.7	-10.9

6 For more information, see "La détention par les non-résidents des actions des sociétés françaises du CAC 40 à fin 2010" in the Bulletin de la Banque de France, 2nd quarter 2011.

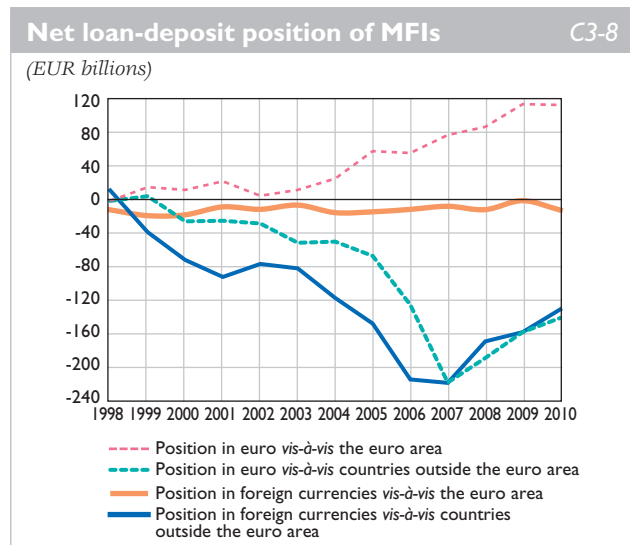
3 | Loan-deposit position of MFIs

The trend towards a decrease in the negative net loan-deposit position of MFIs (excluding the Banque de France) seen since 2007 continued in 2010, with a further reduction of 32 billion. The negative position stood at 175 billion (Table STAT_4.13). The reduction in net debt concerned the position in euro, as well as the position in foreign currencies (Chart C3-8).

The structure of foreign loan and deposit counterparties by sector shows that deposits from non-resident non-financial agents collected by resident MFIs are smaller than their loans to such non-residents. French banks, therefore, have net claims of 102 billion, primarily in foreign currencies (70%) on foreign entities from the non-financial sector. On the other hand, resident banks' position vis-à-vis non-resident interbank market counterparties improved, but still showed net liabilities (Table STAT_4.14).

The geographical structure shows large net euro-denominated liabilities vis-à-vis countries outside the euro area (Chart C3-8). Assets and liabilities vis-à-vis the United Kingdom, which often concerned branches or subsidiaries of French banks, and vis-à-vis offshore financial centres were large, leading to net liabilities (all currencies combined) of 67 billion and 108 billion respectively (Table STAT_4.15). However, assets and liabilities vis-à-vis the United Kingdom and offshore financial centres had declined substantially over the previous three years. French banks also had net liabilities vis-à-vis the United States (131 billion) and Germany (58 billion), and net assets vis-à-vis Italy (96 billion) and Spain (54 billion).

The Banque de France's financial statements show a negative loan-deposit position of 99 billion, which



stems primarily from institutional customers' deposits. The Banque de France also holds 123 billion in foreign securities that are various forms of collateral (Table STAT_4.16).

4 | Reserve assets

Gross reserve assets increased by 32 billion to stand at 125 billion at the end of 2010 (Table T3-8). The increase stems from the impact of rising prices (especially gold prices), which contributed 26 billion, and balance of payments flows, which contributed 6 billion.

Gross foreign currency reserves increased by 8 billion as a result of growth of 5 billion in investments recorded in the balance of payments and revaluation of foreign currencies included in reserve assets.

Reserve assets

T3-8

(EUR billions)

	Stocks at end of year (a)			Variation 2010 (b)	Decomposition of the variation in 2010	
	2008	2009	2010		Flows (b) (c)	Impact of monthly revaluations and other adjustments
Gold	49.8	60.0	82.6	22.6	0.0	22.6
SDRs	0.7	10.6	11.3	0.7	-0.3	1.0
Reserve position in the IMF	1.6	2.6	3.5	0.9	1.1	-0.2
Currencies (outside euro area)	21.8	19.2	27.1	7.9	5.0	2.9
Gross reserve assets	74.0	92.4	124.5	32.1	5.8	26.3
Foreign currencies vis-à-vis euro area residents	65.0	18.5	16.4	-2.1	-4.9	2.8
France	58.9	11.3	7.2	-4.1	-3.1	-1.0
Other countries	6.1	7.2	9.3	2.1	-1.8	3.9
Official foreign exchange reserves (d)	139.0	110.9	140.9	30.0	0.9	29.1
Liabilities (e)	-55.7	-9.8	-12.3	-2.5	-2.0	-0.5
Net foreign exchange reserves (f)	83.3	101.1	128.6	27.5	-1.1	28.6
Price of a kg of gold in the reserves in euros	19,983.05	24,638.61	34,502.13			
USD/EUR rate	1.3917	1.4406	1.3362			
SDR/EUR rate	0.90354	0.91893	0.86232			

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

(b) Variations and flow: 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 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, Finance and Employment and the Banque de France.

(e) Temporary outflows of financial assets in foreign currencies. Since 2007, these have included liabilities in dollars linked to swaps that the ECB entered into in consultation with the US Federal Reserve System. The data under this item are recorded under the Other investment – Banque de France item in the balance of payments.

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

Box 3

Revisions of international investment position data

Several items in France's international investment position at the end of 2008 and 2009 have been revised in this Annual Report (Table below).

The revisions to the direct investment position at the end of 2008 primarily concerned stocks of outward investment in equity capital. These stocks were revised after accounting for investments that had not been captured earlier and, more especially, after accounting for corrections made to inaccurate data provided by reporting companies. Changes in book value then affect market value, since the latter is based on the former.

The revisions to direct investment stocks at the end of 2009 were a usual occurrence. When the 2009 Annual Report was being drafted in May 2010, the data for the end of 2009 were estimated based on stocks at the end of 2008 combined with flows in 2009. They are now taken from the annual financial statements of resident direct investment companies or specific annual surveys of resident companies on their assets and liabilities vis-à-vis non-residents.

Revisions to portfolio investment data stem from further information collected from asset holders and information about equity security liabilities from custodians. The revisions result in smaller net liabilities than published previously.

Revisions of 2008 and 2009 international investment position data
Principal components of the international investment position

(EUR billions)

	2008			2009		
	2009 Annual Report	2010 Annual Report	Difference	2009 Annual Report	2010 Annual Report	Difference
Foreign direct investment						
At book value	311.8	290.8	-21.0	377.7	351.2	-26.5
At market value	278.2	261.0	-17.3	407.3	401.2	-6.1
Outward						
At book value	997.6	975.3	-22.3	1,106.1	1,041.9	-64.2
At market value	939.9	911.0	-28.9	1,193.8	1,153.4	-40.4
Inward						
At book value	-685.8	-684.5	1.2	-728.4	-690.7	37.7
At market value	-661.7	-650.0	11.6	-786.4	-752.2	34.2
Portfolio investment	-20.2	-15.1	5.1	-298.7	-259.0	39.7
Foreign securities	1,834.7	1,857.4	22.7	1,998.2	2,056.3	58.1
Equity securities and mutual fund shares/units	326.7	341.1	14.4	416.8	449.2	32.4
Bonds and notes	1,301.5	1,307.5	6.0	1,354.2	1,360.8	6.6
Short-term debt securities	206.5	208.7	2.2	227.1	246.3	19.1
Domestic securities	-1,855.0	-1,872.5	-17.5	-2,296.9	-2,315.3	-18.4
Equity securities and mutual fund shares/units	-434.3	-449.0	-14.6	-569.3	-591.8	-22.5
Bonds and notes	-1,252.1	-1,252.0	0.1	-1,479.4	-1,475.3	4.1
Short-term debt securities	-168.5	-171.5	-3.0	-248.2	-248.2	0.0
Financial derivatives	-55.3	-55.3	0.0	-53.1	-38.4	14.8
Other investment (excluding reserve assets)	-508.4	-513.5	-5.1	-356.2	-358.0	-1.8
Trade credits and payments on account	-1.2	-3.4	-2.3	-6.5	-6.7	-0.2
Other investment of the Banque de France	-187.2	-187.2	0.0	-139.1	-139.1	0.0
Other investment of general government	2.2	2.0	-0.2	8.5	7.9	-0.6
MFIs' deposit/loan position	-286.6	-286.6	0.0	-206.9	-206.9	0.0
Deposit/loan position of other sectors (a)	-35.6	-38.2	-2.7	-12.2	-13.2	-1.0
Reserve assets	74.0	74.0	0.0	92.4	92.4	0.0
Balance						
With direct investment at book value	-198.1	-219.2	-21.0	-237.9	-211.7	26.2
With direct investment at market value	-231.7	-249.0	-17.3	-208.3	-161.7	46.6

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

2009 AND 2010 BALANCE OF PAYMENTS
Detailed presentation

BALANCE OF PAYMENTS IN DETAIL

2009

BALANCE OF PAYMENTS – 2009				
(EUR millions)				
		Credit	Debit	Balance
1.	CURRENT ACCOUNT	615,800	644,202	-28,401
1.1.	Goods	341,462	384,599	-43,134
1.1.1.	General merchandise	327,398	370,992	-43,589
	<i>Customs data</i>	340,924	383,848	-42,923
	<i>Adjustments</i>	-13,527	-12,856	-671
1.1.2.	Goods procured in ports by carriers	1,458	2,862	-1,402
1.1.3.	Goods for processing and repairs on goods	12,605	10,748	1,860
1.2.	Services	103,691	93,525	10,164
1.2.1.	Transportation	22,913	23,641	-727
1.2.1.1.	<i>Sea transport</i>	7,558	9,146	-1,588
1.2.1.2.	<i>Air transport</i>	10,145	8,985	1,160
1.2.1.3.	<i>Other transport</i>	5,208	5,509	-301
1.2.2.	Travel	35,509	27,509	8,000
1.2.3.	Communication services	3,331	2,702	628
1.2.4.	Construction services	4,999	2,392	2,606
1.2.5.	Insurance services	950	1,744	-794
1.2.6.	Financial services	1,556	987	566
1.2.7.	Computer and information services	1,178	1,551	-371
1.2.8.	Royalties and license fees	7,014	3,796	3,219
1.2.9.	Other business services	24,190	25,973	-1,782
1.2.9.1.	<i>Merchandising</i>	7,243	–	7,243
1.2.9.2.	<i>Other trade-related services</i>	1,785	3,859	-2,072
1.2.9.3.	<i>Operational leasing services</i>	475	1,830	-1,352
1.2.9.4.	<i>Miscellaneous business services</i>	14,684	20,286	-5,602
1.2.10.	Personal, cultural and recreational services	1,360	2,622	-1,263
1.2.10.1.	<i>Audio-visual and related services</i>	717	1,436	-719
1.2.10.2.	<i>Other personal services</i>	644	1,185	-544
1.2.11.	Government services	691	614	80
1.3.	Income	151,498	119,871	31,627
1.3.1.	Compensation of employees	10,522	913	9,606
1.3.2.	Investment income	140,980	118,960	22,019
1.3.2.1.	<i>Direct investment</i>	40,640	14,951	25,685
1.3.2.2.	<i>Portfolio investment</i>	77,110	77,043	68
1.3.2.3.	<i>Other investment</i>	23,229	26,964	-3,735
1.4.	Current transfers	19,147	46,205	-27,060
1.4.1.	General government	12,512	30,578	-18,066
1.4.2.	Other sectors	6,632	15,628	-8,996
1.4.2.1.	<i>Workers' remittances</i>	770	2,849	-2,077
1.4.2.2.	<i>Other transfers</i>	5,861	12,782	-6,923
2.	CAPITAL ACCOUNT	998	665	334
2.1.	Capital transfers	982	627	355
2.2.	Purchases of non-financial assets (patents)	16	37	-20
3.	FINANCIAL ACCOUNT	–	–	41,084
3.1.	Foreign direct investment	–	–	-49,610
3.1.1.	Outward	–	–	-74,107
3.1.1.1.	<i>Equity capital</i>	55,070	94,226	-39,153
3.1.1.2.	<i>Reinvested earnings</i>	–	–	-8,594
3.1.1.3.	<i>Other capital</i>	–	–	-26,352
3.1.1.4.	<i>Other capital (extended directional principle)</i>	–	–	-13,451
3.1.2.	Inward	–	–	24,494
3.1.2.1.	<i>Equity capital</i>	29,219	14,092	15,128
3.1.2.2.	<i>Reinvested earnings</i>	–	–	1,282
3.1.2.3.	<i>Other capital</i>	–	–	8,087
3.1.2.4.	<i>Other capital (extended directional principle)</i>	–	–	-4,815

BALANCE OF PAYMENTS – 2009 (continued)

(EUR millions)

	Balance
3.2. Portfolio investment	251,072
3.2.1. Assets (residents' transactions in securities issued by non-residents)	-77,408
3.2.1.1. Equity securities and mutual fund shares/units	-27,201
<i>Banque de France</i>	-3
<i>General government</i>	-753
<i>Monetary financial institutions</i>	-1,752
<i>Other sectors</i>	-24,697
3.2.1.2. Bonds and notes	-11,633
<i>Banque de France</i>	-6,707
<i>General government</i>	-1,608
<i>Monetary financial institutions</i>	70,826
<i>Other sectors</i>	-74,144
3.2.1.3. Short-term debt securities	-38,572
<i>Banque de France</i>	5,194
<i>General government</i>	-1,884
<i>Monetary financial institutions</i>	-45,802
<i>Other sectors</i>	3,920
3.2.2. Liabilities (non-residents' transactions in securities issued by residents)	328,481
3.2.2.1. Equity securities and mutual fund shares/units	52,976
<i>Monetary financial institutions</i>	7,621
<i>Other sectors</i>	45,355
3.2.2.2. Bonds and notes	199,179
<i>General government</i>	79,172
<i>Monetary financial institutions</i>	17,708
<i>Other sectors</i>	102,299
3.2.2.3. Short-term debt securities	76,326
<i>General government</i>	70,748
<i>Monetary financial institutions</i>	5,199
<i>Other sectors</i>	382
3.3. Financial derivatives	-16,913
<i>Banque de France</i>	-
<i>General government</i>	-
<i>Monetary financial institutions</i>	-16,913
<i>Other sectors</i>	-
3.4. Other investment	-147,397
3.4.1. Assets	58,111
3.4.1.1. Trade credits	-1,340
3.4.1.2. Loans	59,440
<i>Banque de France</i>	-2,740
<i>General government</i>	-1,082
<i>Monetary financial institutions</i>	67,156
<i>Other sectors</i>	-3,895
3.4.1.3. Other assets	12
<i>General government</i>	0
3.4.2. Liabilities	-205,509
3.4.2.1. Trade credits	6,468
3.4.2.2. Loans	-211,977
<i>Banque de France</i>	-44,224
<i>General government</i>	-4,454
<i>Monetary financial institutions</i>	-142,916
<i>Other sectors</i>	-20,382
3.4.2.3. Other liabilities	0
3.5. Reserve assets	3,931
Gold	1,302
Special Drawing Rights	-41
Reserve position in the IMF	-971
Foreign currencies	3,641
Claims on the ECB	0
4. NET ERRORS AND OMISSIONS	-13,014

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

BALANCE OF PAYMENTS IN DETAIL

2010

BALANCE OF PAYMENTS – 2010				
(EUR millions)				
		Credit	Debit	Balance
I.	CURRENT ACCOUNT	675,078	708,737	-33,656
I.1.	Goods	390,066	443,736	-53,670
1.1.1.	General merchandise	377,066	430,590	-53,522
	<i>Customs data</i>	392,886	444,006	-51,119
	<i>Adjustments</i>	-15,820	-13,415	-2,405
1.1.2.	Goods procured in ports by carriers	1,798	3,889	-2,092
1.1.3.	Goods for processing and repairs on goods	11,202	9,257	1,945
I.2.	Services	109,854	99,849	10,002
1.2.1.	Transportation	27,136	27,079	56
1.2.1.1.	<i>Sea transport</i>	10,121	10,621	-503
1.2.1.2.	<i>Air transport</i>	11,193	10,267	927
1.2.1.3.	<i>Other transport</i>	5,820	6,191	-368
1.2.2.	Travel	35,121	29,065	6,055
1.2.3.	Communication services	3,382	2,907	478
1.2.4.	Construction services	4,765	2,248	2,515
1.2.5.	Insurance services	932	2,226	-1,293
1.2.6.	Financial services	1,948	1,557	394
1.2.7.	Computer and information services	1,226	1,446	-221
1.2.8.	Royalties and license fees	7,846	4,194	3,654
1.2.9.	Other business services	25,164	25,702	-536
1.2.9.1.	<i>Merchandising</i>	7,834	-	7,834
1.2.9.2.	<i>Other trade-related services</i>	1,962	3,481	-1,518
1.2.9.3.	<i>Operational leasing services</i>	427	2,058	-1,630
1.2.9.4.	<i>Miscellaneous business services</i>	14,939	20,164	-5,222
1.2.10.	Personal, cultural and recreational services	1,523	2,808	-1,284
1.2.10.1.	<i>Audio-visual and related services</i>	728	1,521	-790
1.2.10.2.	<i>Other personal services</i>	795	1,287	-494
1.2.11.	Government services	811	620	191
I.3.	Income	157,352	120,842	36,508
1.3.1.	Compensation of employees	10,889	968	9,918
1.3.2.	Investment income	146,462	119,874	26,588
1.3.2.1.	<i>Direct investment</i>	55,296	21,240	34,053
1.3.2.2.	<i>Portfolio investment</i>	76,254	81,306	-5,053
1.3.2.3.	<i>Other investment</i>	14,913	17,326	-2,412
I.4.	Current transfers	17,812	44,308	-26,500
1.4.1.	General government	11,191	29,221	-18,029
1.4.2.	Other sectors	6,622	15,088	-8,469
1.4.2.1.	<i>Workers' remittances</i>	756	2,871	-2,117
1.4.2.2.	<i>Other transfers</i>	5,864	12,216	-6,350
2.	CAPITAL ACCOUNT	984	947	39
2.1.	Capital transfers	961	922	39
2.2.	Purchases of non-financial assets (patents)	23	24	0
3.	FINANCIAL ACCOUNT	-	-	18,201
3.1.	Foreign direct investment	-	-	-37,907
3.1.1.	Outward	-	-	-63,508
3.1.1.1.	<i>Equity capital</i>	20,342	40,666	-20,325
3.1.1.2.	<i>Reinvested earnings</i>	-	-	-24,096
3.1.1.3.	<i>Other capital</i>	-	-	-19,089
3.1.1.4.	<i>Other capital (extended directional principle)</i>	-	-	-6,277
3.1.2.	Inward	-	-	25,600
3.1.2.1.	<i>Equity capital</i>	26,125	15,098	11,027
3.1.2.2.	<i>Reinvested earnings</i>	-	-	12,816
3.1.2.3.	<i>Other capital</i>	-	-	1,764
3.1.2.4.	<i>Other capital (extended directional principle)</i>	-	-	-11,046

BALANCE OF PAYMENTS – 2010 (continued)

(EUR millions)

	Balance
3.2. Portfolio investment	119,922
3.2.1. Assets (residents' transactions in securities issued by non-residents)	23,188
3.2.1.1. Equity securities and mutual fund shares/units	-17,015
<i>Banque de France</i>	18
<i>General government</i>	2,184
<i>Monetary financial institutions</i>	-13,415
<i>Other sectors</i>	-5,808
3.2.1.2. Bonds and notes	-212
<i>Banque de France</i>	-7,523
<i>General government</i>	-2,406
<i>Monetary financial institutions</i>	83,396
<i>Other sectors</i>	-73,677
3.2.1.3. Short-term debt securities	40,416
<i>Banque de France</i>	10,591
<i>General government</i>	81
<i>Monetary financial institutions</i>	31,816
<i>Other sectors</i>	-2,075
3.2.2. Liabilities (non-residents' transactions in securities issued by residents)	96,734
3.2.2.1. Equity securities and mutual fund shares/units	-6,333
<i>Monetary financial institutions</i>	-13,164
<i>Other sectors</i>	6,828
3.2.2.2. Bonds and notes	99,520
<i>General government</i>	50,860
<i>Monetary financial institutions</i>	39,031
<i>Other sectors</i>	9,629
3.2.2.3. Short-term debt securities	3,547
<i>General government</i>	-4,071
<i>Monetary financial institutions</i>	7,225
<i>Other sectors</i>	394
3.3. Financial derivatives	34,298
<i>Banque de France</i>	-
<i>General government</i>	-
<i>Monetary financial institutions</i>	34,298
<i>Other sectors</i>	-
3.4. Other investment	-92,320
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3.4.1.1. Trade credits	-572
3.4.1.2. Loans	-117,778
<i>Banque de France</i>	-10,650
<i>General government</i>	-3,742
<i>Monetary financial institutions</i>	-103,771
<i>Other sectors</i>	386
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<i>General government</i>	0
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3.4.2.1. Trade credits	3,666
3.4.2.2. Loans	22,605
<i>Banque de France</i>	-31,449
<i>General government</i>	264
<i>Monetary financial institutions</i>	57,196
<i>Other sectors</i>	-3,407
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SERIES I – CURRENT ACCOUNT

Geographical structure of trade in travel services

STAT_1.1

(EUR billions)

	2008			2009			2010		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
European Union (27 members)	27.3	14.9	12.4	25.7	14.5	11.2	25.1	15.4	9.7
Economic and Monetary Union (16 members)	20.5	12.7	7.8	19.9	12.3	7.6	19.5	12.9	6.6
of which: Germany	5.7	1.7	4.0	5.1	1.6	3.5	5.3	1.1	4.2
Austria	0.3	0.3	0.0	0.3	0.2	0.1	0.3	0.4	-0.1
Belgium	4.6	1.2	3.4	4.7	1.2	3.5	4.6	1.5	3.1
Spain	2.3	3.8	-1.5	1.9	3.8	-1.9	1.9	4.1	-2.2
Finland	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
Greece	0.1	0.7	-0.6	0.2	0.9	-0.7	0.1	0.9	-0.8
Ireland	0.3	0.2	0.1	0.3	0.2	0.1	0.2	0.3	-0.1
Italy	3.4	2.8	0.6	3.3	2.5	0.8	2.8	2.6	0.2
Luxembourg	0.4	0.9	-0.5	0.5	0.9	-0.4	0.5	0.9	-0.4
Netherlands	2.8	0.3	2.5	3.1	0.3	2.8	3.2	0.3	2.9
Portugal	0.3	0.5	-0.2	0.4	0.5	-0.1	0.3	0.6	-0.3
Other European Union countries	6.8	2.2	4.6	5.9	2.2	3.7	5.6	2.5	3.1
of which: Denmark	0.3	0.0	0.3	0.3	0.0	0.3	0.3	0.1	0.2
Hungary	0.0	0.1	-0.1	0.0	0.1	-0.1	0.1	0.1	0.0
Poland	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0
Czech Republic	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.0
Romania	0.2	0.1	0.1	0.2	0.0	0.2	0.2	0.1	0.1
United Kingdom	5.5	1.7	3.8	4.8	1.7	3.1	4.7	1.9	2.8
Sweden	0.3	0.1	0.2	0.2	0.1	0.1	0.3	0.0	0.3
Other industrialised countries (8)	6.9	4.2	2.7	6.1	3.7	2.4	6.2	4.1	2.1
of which: Australia	0.7	0.2	0.5	0.6	0.2	0.4	0.7	0.2	0.5
Canada	0.6	0.3	0.3	0.5	0.4	0.1	0.6	0.5	0.1
United States	2.2	1.5	0.7	1.7	1.1	0.6	1.7	1.3	0.4
Japan	0.3	0.3	0.0	0.3	0.2	0.1	0.3	0.1	0.2
Norway	0.3	0.2	0.1	0.3	0.1	0.2	0.2	0.1	0.1
Switzerland	2.7	1.7	1.0	2.7	1.7	1.0	2.6	1.7	0.9
Rest of the world	4.3	8.8	-4.5	3.6	9.4	-5.8	3.8	9.6	-5.8
of which: Algeria	0.2	0.1	0.1	0.3	0.1	0.2	0.2	0.1	0.1
Saudi Arabia	0.1	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0
Brazil	0.5	0.2	0.3	0.4	0.1	0.3	0.4	0.1	0.3
Chile	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
China	0.3	0.2	0.1	0.3	0.3	0.0	0.3	0.3	0.0
South Korea	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Croatia	0.0	0.3	-0.3	0.0	0.2	-0.2	0.0	0.2	-0.2
Egypt	0.0	0.6	-0.6	0.0	0.7	-0.7	0.1	0.8	-0.7
United Arab Emirates	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
India	0.1	0.3	-0.2	0.1	0.2	-0.1	0.1	0.2	-0.1
Maldives	0.0	0.1	-0.1	0.0	0.3	-0.3	0.0	0.0	0.0
Morocco	0.4	0.9	-0.5	0.3	0.7	-0.4	0.3	0.8	-0.5
Mexico	0.2	0.3	-0.1	0.2	0.2	0.0	0.1	0.1	0.0
Dominican Republic	0.0	0.4	-0.4	0.0	0.3	-0.3	0.0	0.2	-0.2
Russia	0.2	0.2	0.0	0.1	0.2	-0.1	0.3	0.2	0.1
Thailand	0.0	0.2	-0.2	0.0	0.2	-0.2	0.1	0.2	-0.1
Tunisia	0.2	1.3	-1.1	0.1	1.2	-1.1	0.2	1.3	-1.1
Turkey	0.1	0.4	-0.3	0.1	0.5	-0.4	0.1	0.6	-0.5
Vietnam	0.0	0.3	-0.3	0.0	0.3	-0.3	0.0	0.3	-0.3
Total	38.5	27.9	10.6	35.5	27.5	8.0	35.1	29.1	6.1

Note: See "Definition of geographical areas" at the end of this report.

PART 2 – SUPPLEMENTS STATISTICAL TABLES

Series I – Current account

Geographical structure of trade in services excluding transportation, travel and merchandising									STAT_1.2
<i>(EUR billions)</i>									
	2008			2009			2010		
	Receipts	Payments	Balance	Receipts	Payments	Balance	Receipts	Payments	Balance
European Union (27 members)	17.5	24.0	-6.5	17.0	25.3	-8.3	17.9	26.0	-8.1
Economic and Monetary Union (16 members)	11.5	16.4	-5.0	11.1	17.5	-6.5	11.7	18.3	-6.6
of which: Germany	2.8	5.5	-2.7	3.4	6.8	-3.4	3.4	7.5	-4.0
Austria	0.1	0.3	-0.2	0.1	0.3	-0.2	0.1	0.3	-0.2
Belgium	1.6	2.0	-0.4	1.2	1.8	-0.6	1.2	1.9	-0.7
Spain	1.9	1.2	0.7	1.6	1.3	0.4	1.7	1.3	0.5
Finland	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.1	-0.1
Greece	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
Ireland	0.8	1.1	-0.3	0.8	1.3	-0.5	1.1	1.4	-0.3
Italy	1.3	2.2	-0.9	1.1	2.0	-0.9	1.1	1.4	-0.3
Luxembourg	0.6	1.1	-0.6	0.4	1.0	-0.6	0.6	1.6	-1.0
Netherlands	1.5	2.3	-0.8	1.8	2.4	-0.6	1.8	2.4	-0.6
Portugal	0.3	0.2	0.1	0.3	0.2	0.1	0.2	0.2	0.0
Other European Union countries	6.0	7.5	-1.5	6.0	7.8	-1.8	6.2	7.8	-1.5
of which: Denmark	0.1	0.2	-0.1	0.1	0.2	-0.1	0.1	0.2	-0.1
Hungary	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.2	-0.1
Poland	0.3	0.2	0.0	0.2	0.2	0.0	0.2	0.2	0.0
Czech Republic	0.1	0.1	0.0	0.1	0.2	-0.1	0.1	0.2	-0.1
Romania	0.2	0.3	-0.1	0.1	0.3	-0.1	0.1	0.3	-0.2
United Kingdom	4.5	5.3	-0.8	4.7	5.4	-0.8	4.9	5.2	-0.3
Sweden	0.2	1.1	-0.9	0.2	1.3	-1.1	0.2	1.5	-1.3
Other industrialised countries (8)	9.8	9.3	0.6	9.8	10.0	-0.2	9.9	9.7	0.2
of which: Australia	0.2	0.1	0.0	0.2	0.2	0.0	0.3	0.2	0.2
Canada	0.6	0.8	-0.2	0.4	0.7	-0.2	0.5	0.7	-0.2
United States	6.6	5.3	1.3	6.5	5.8	0.7	6.3	5.7	0.6
Japan	0.5	0.5	0.0	0.5	0.6	-0.2	0.6	0.7	-0.1
Norway	0.2	0.1	0.1	0.5	0.3	0.2	0.3	0.2	0.1
Switzerland	1.8	2.4	-0.6	1.7	2.4	-0.7	2.0	2.3	-0.3
Rest of the world	10.7	6.5	4.2	11.1	7.0	4.1	12.0	8.0	4.0
of which: South Africa	0.3	0.1	0.1	0.3	0.1	0.2	0.2	0.2	0.1
Algeria	0.3	0.1	0.2	0.5	0.1	0.4	0.7	0.2	0.5
Angola	0.4	0.0	0.3	0.5	0.1	0.4	0.5	0.1	0.4
Saudi Arabia	0.6	0.1	0.5	0.5	0.2	0.3	0.4	0.1	0.3
Bahrain	0.1	0.0	0.1	0.3	0.0	0.2	0.1	0.0	0.1
Brazil	0.5	0.2	0.3	0.6	0.2	0.5	0.9	0.2	0.6
China	0.5	0.4	0.1	0.4	0.4	-0.1	0.5	0.4	0.0
South Korea	0.4	0.3	0.1	0.3	0.3	0.0	0.4	0.3	0.2
Egypt	0.1	0.1	0.0	0.2	0.3	-0.1	0.1	0.2	0.0
United Arab Emirates	0.5	0.2	0.3	0.6	0.4	0.3	0.5	0.4	0.1
Hong Kong	0.1	0.4	-0.3	0.2	0.3	-0.1	0.2	0.3	-0.1
India	0.2	0.2	0.0	0.2	0.3	-0.1	0.2	0.3	-0.2
Morocco	0.4	0.3	0.1	0.4	0.4	0.0	0.4	0.5	-0.1
Mexico	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
Nigeria	0.4	0.1	0.4	0.4	0.1	0.3	0.3	0.1	0.2
Qatar	0.2	0.1	0.1	0.3	0.1	0.2	0.3	0.1	0.2
Russia	0.7	0.6	0.1	0.3	0.4	-0.1	0.5	0.4	0.1
Singapore	0.4	0.2	0.2	0.4	0.3	0.1	0.7	0.3	0.4
Tunisia	0.1	0.1	-0.1	0.1	0.2	-0.1	0.1	0.2	-0.1
Turkey	0.2	0.2	0.0	0.2	0.1	0.1	0.3	0.2	0.1
Total	38.1	39.7	-1.7	38.0	42.4	-4.4	39.8	43.7	-3.9

Note: See "Definition of geographical areas" at the end of this report.

Geographical structure of income on outward foreign direct investment (receipts)
and income on inward foreign direct investment (payments)

STAT_1.3

(EUR billions)

	Receipts				Payments			
	2007	2008	2009	2010 (a)	2007	2008	2009	2010 (a)
European Union (27 members)	27.4	21.0	21.1	28.8	20.4	11.9	11.8	16.8
Economic and Monetary Union (16 members)	19.6	17.4	16.3	22.2	17.3	10.1	9.2	13.1
of which: Germany	3.9	2.8	3.3	4.4	3.4	1.6	1.4	2.1
Belgium	1.7	5.1	3.2	4.4	1.1	-1.6	1.7	2.4
Spain	3.0	2.8	1.7	2.3	1.9	0.9	0.6	0.9
Greece	0.2	-0.3	-0.5	-0.6	0.0	0.0	0.0	0.0
Ireland	0.6	-1.4	1.0	1.3	0.5	0.3	0.1	0.1
Italy	1.9	1.3	1.3	1.8	0.6	0.3	0.5	0.7
Luxembourg	1.4	1.1	0.7	0.9	4.1	2.8	1.6	2.3
Netherlands	6.4	5.3	5.2	7.0	5.8	5.3	3.2	4.6
Other European Union countries	7.8	3.6	4.8	6.6	3.1	1.8	2.6	3.7
of which: Poland	0.8	0.7	1.3	1.7	0.0	0.0	0.0	0.0
Czech Republic	0.6	0.6	0.5	0.7	0.0	0.0	0.0	0.0
Romania	0.4	0.4	0.3	0.4	0.0	0.0	0.0	0.0
United Kingdom	5.1	1.1	2.3	3.2	2.7	1.3	2.2	3.2
Sweden	0.6	0.6	0.2	0.3	0.2	0.3	0.3	0.4
Other industrialised countries (8 countries)	10.8	8.8	10.3	14.0	4.4	5.0	4.0	5.6
of which: Canada	0.5	0.4	0.5	0.7	0.0	0.0	-0.1	-0.1
United States	4.9	4.3	5.0	6.8	2.5	3.2	2.5	3.5
Japan	0.8	0.3	1.2	1.6	0.1	0.3	0.2	0.2
Norway	1.1	1.4	1.0	1.3	0.1	0.1	0.0	0.1
Switzerland	2.9	2.3	2.2	3.0	1.7	1.5	1.3	1.9
Rest of the world	12.2	13.4	9.2	12.5	0.8	0.3	-0.8	-1.2
of which: Brazil	1.2	1.2	1.6	2.1	0.0	0.0	0.0	0.0
China	0.4	0.5	0.7	0.9	0.0	0.0	0.0	0.0
India	0.1	0.2	0.2	0.3	0.0	0.0	0.0	0.0
Indonesia	1.1	1.0	0.5	0.7	0.0	0.0	0.0	0.0
Morocco	0.5	0.7	0.7	1.0	0.0	0.0	0.0	0.0
Russia	0.2	0.5	-0.1	-0.1	0.0	0.0	0.0	0.0
Singapore	1.1	0.7	0.5	0.7	0.0	0.0	0.0	0.0
Turkey	0.5	0.3	0.2	0.3	0.0	0.0	0.0	0.0
Total	50.4	43.1	40.6	55.3	25.6	17.1	15.1	21.2

Note: See "definition of geographical zones" at the end of this report.

(a) The geographical structure is determined on the basis of the first counterparty's country of residence. It is estimated for 2010.

SERIES 2 – FOREIGN DIRECT INVESTMENT FLOWS

Outward foreign direct investment flows

STAT_2.1

by transaction type

(EUR billions)

Year	Net balance of outward and inward foreign direct investment	Outward foreign direct investment	Real-estate investment	Equity capital excluding real-estate investment	of which mergers and acquisitions (a)	Reinvested earnings	Other capital (b)
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	-49.6	-61.2	-2.1	-37.1	-22.8	-8.6	-13.5
2010	-37.9	-50.7	-2.8	-17.5	-6.7	-24.1	-6.3

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 EUR 150 million are recorded in the balance of payments.

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

Inward foreign direct investment flows

STAT_2.2

by transaction type

(EUR billions)

Year	Net balance of outward and inward foreign direct investment	Inward foreign direct investment	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	-49.6	11.6	4.3	10.9	6.5	1.3	-4.8
2010	-37.9	12.8	6.4	4.6	-0.8	12.8	-11.0

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 EUR 150 million are recorded in the balance of payments.

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

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 2 – Foreign direct investment flows

Geographical structure of outward foreign direct investment flows (a)					STAT_2.3
(by country of residence of the first counterparty)					
(EUR billions)					
	2007	2008	2009	2010	2010 (%)
European Union (27 members)	-69.6	-40.7	-45.6	-31.6	62.3
Economic and Monetary Union (16 members)	-64.4	-53.8	-34.4	-30.9	61.0
of which: Germany	-6.8	0.7	-1.7	-3.0	5.9
Belgium	1.2	-46.6	-20.2	-9.5	18.7
Spain	-6.0	1.1	-0.2	-0.9	1.9
Ireland	-0.5	0.0	1.6	-2.1	4.1
Italy	-17.6	-3.6	-0.2	-2.1	4.1
Luxembourg	-3.4	0.5	-9.9	-3.4	6.6
Netherlands	-30.1	-4.1	-1.1	-9.2	18.1
Other European Union countries	-5.2	13.2	-11.3	-0.7	1.4
of which: Poland	-1.0	-0.3	-1.3	-2.0	4.0
Czech Republic	-0.7	-0.7	-1.0	-0.4	0.8
Romania	-0.7	-1.0	-0.2	-0.4	0.8
United Kingdom	-1.7	19.0	-8.2	-0.2	0.3
Sweden	-0.1	-2.9	-1.1	2.7	-5.3
Other industrialised countries	-4.3	-12.5	-2.5	-11.5	22.7
of which: Canada	7.3	1.7	0.0	1.4	-2.8
United States	-12.5	-13.3	-2.2	-5.2	10.3
Japan	-0.4	-0.2	-1.0	-0.5	1.1
Switzerland	0.8	0.7	0.9	-7.2	14.2
Rest of the world	-8.3	-25.1	-13.0	-7.6	15.0
of which: Angola	-0.2	-0.6	0.4	-1.0	1.9
Bermuda	0.8	-0.6	0.6	-0.9	1.8
Brazil	-1.1	-2.4	-4.6	-3.2	6.3
China	-0.9	-1.5	-1.3	-1.4	2.8
Egypt	-0.4	-8.8	5.5	-0.3	0.7
United Arab Emirates	-0.1	-0.4	0.1	0.4	-0.7
Hong Kong	-1.2	-0.4	0.2	-0.2	0.4
British Virgin Islands	-0.1	-0.1	-4.1	-0.2	0.4
India	-0.4	-0.5	-0.5	-0.3	0.7
Kazakhstan	-0.1	-0.1	-4.2	3.3	-6.5
Morocco	-0.3	-1.1	-1.0	-1.2	2.3
Qatar	0.0	0.0	-0.7	0.5	-1.0
Russia	-0.8	-4.4	-0.2	-1.2	2.4
Singapore	0.4	-0.7	0.2	-1.4	2.7
Turkey	-0.7	-0.2	-0.4	-0.4	0.8
Total	-82.2	-78.3	-61.2	-50.7	100.0

Note: See "definition of geographical areas" at the end of the annual report.

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

Geographical structure of inward foreign direct investment flows (a)

STAT_2.4

(by country of residence of the first counterparty)

(EUR billions)

	2007	2008	2009	2010	2010 (%)
European Union (27 members)	31.6	8.3	2.2	10.0	78.1
Economic and Monetary Union (16 members)	25.3	10.5	3.5	11.5	89.8
of which: Germany	10.4	6.2	-0.7	-0.4	-3.4
Belgium	5.3	6.9	9.8	-0.7	-5.7
Spain	3.5	-4.8	-1.9	-0.4	-3.0
Ireland	1.0	2.2	-4.2	-3.0	-23.6
Italy	-0.4	-0.9	1.7	0.9	7.2
Luxembourg	5.7	-1.2	-3.0	13.2	103.0
Netherlands	-0.2	0.3	2.5	1.5	11.6
Other European Union countries	6.3	-2.2	-1.3	-1.5	-11.7
of which: Denmark	0.4	0.6	0.9	0.5	4.1
Poland	-0.3	0.9	0.2	-0.4	-3.3
Czech Republic	-0.1	-0.1	0.4	0.3	2.4
Romania	-0.1	0.1	0.1	-0.1	-0.9
United Kingdom	6.3	-3.6	-3.2	-0.3	-2.2
Sweden	0.1	0.0	0.1	-1.5	-11.6
Other industrialised countries	0.2	8.8	6.4	2.8	21.6
of which: Canada	-2.9	1.2	1.0	0.3	2.2
United States	1.1	2.9	3.2	5.1	40.0
Japan	0.1	1.1	0.5	-0.3	-2.6
Switzerland	1.4	4.5	1.0	-1.9	-14.8
Rest of the world	0.7	-0.8	3.0	0.0	0.3
of which: Bermuda	0.0	0.1	0.1	0.6	4.5
Brazil	-0.1	0.1	-0.1	0.0	0.0
China	0.3	0.1	0.1	0.0	0.0
United Arab Emirates	0.1	-1.5	3.1	-1.1	-8.3
Hong Kong	-0.1	-0.1	0.1	0.0	0.2
India	0.1	0.0	0.0	0.0	0.1
Jersey	0.0	-0.1	0.2	0.3	2.0
Russia	0.0	0.0	0.0	0.2	1.7
Singapore	-0.1	0.0	-0.2	0.0	-0.4
Turkey	0.0	-0.1	-0.1	0.0	0.1
Total	32.4	16.3	11.6	12.8	100.0

Note: See "definition of geographical areas" at the end of the annual report.

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

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 2 – Foreign direct investment flows

Outward foreign direct investment flows by sector (a)					STAT_2.5
(EUR billions)					
	2007	2008	2009	2010	2010 (%)
Agriculture, forestry and fishing	0.0	-0.1	0.0	0.0	0.0
Mining and quarrying	2.6	1.5	-8.0	5.3	-10.4
of which: Extraction of crude petroleum and natural gas	2.7	1.5	-8.0	5.3	-10.5
Manufacturing	-14.6	-34.4	1.9	-9.2	18.1
of which: Food products and beverages	-7.5	-9.4	3.4	0.2	-0.4
Textiles and wearing apparel	-0.6	-2.1	0.0	2.3	-4.5
Wood, paper, printing and reproduction	0.5	-0.4	0.1	-0.5	1.0
Coke and refined petroleum products	0.0	-0.3	-0.2	-0.2	0.4
Chemicals and chemical products	-1.4	-2.5	-0.6	-0.4	0.7
Pharmaceutical products	1.3	-0.8	-3.9	-7.0	13.7
Rubber and plastic products	-1.0	0.1	0.6	0.0	0.0
Basic metals and fabricated metal products	-0.7	-0.3	0.4	-0.4	0.8
Computer, electronic and optical products	1.1	0.5	-0.3	0.8	-1.6
Machinery and equipment	2.7	0.0	-1.1	-1.4	2.8
Motor vehicles, trailers and semitrailers	0.2	-2.0	-0.8	-1.1	2.2
Other transport equipment	-0.2	-1.1	0.5	-0.1	0.3
Electricity, gas, steam and air conditioning supply	4.2	-10.8	-17.2	-4.9	9.6
Water supply, sewerage, waste management and remediation activities	-1.9	-0.7	1.1	-0.1	0.2
of which: Water collection, treatment and supply	-1.8	-0.5	1.2	0.2	-0.3
Construction	-1.0	0.3	-0.8	-1.4	2.7
Wholesale and retail trade, repair of motor vehicles and motorcycles	-8.2	-3.9	-4.5	-5.3	10.5
of which: Wholesale trade	-1.5	-1.7	-0.5	-2.8	5.5
Retail trade	-6.2	-1.7	-4.3	-2.0	4.0
Transportation and storage	-1.8	0.0	0.0	-2.1	4.1
of which: Land transport and transport via pipelines	-0.4	0.2	0.2	-1.4	2.7
Water transport	0.0	0.0	0.0	-0.2	0.3
Air transport	-0.2	-0.2	-0.1	-0.4	0.8
Warehousing and support activities for transportation	-0.9	0.0	-0.1	-0.2	0.3
Accommodation and food service activities	-1.6	-1.0	-1.2	0.8	-1.7
Information and communication	-9.3	-3.0	-5.3	8.0	-15.7
of which: Motion pictures, video and television programme activities	-1.0	-1.1	-2.8	4.1	-8.2
Telecommunications	-4.8	-1.3	-2.7	4.9	-9.6
Financial and insurance activities	-24.7	-20.4	-21.1	-15.2	30.0
of which: Financial intermediation, except insurance and pension funding	-24.9	-15.8	-20.2	-16.2	32.0
of which: Activities of holding companies	-4.1	-3.8	-1.9	-2.7	5.3
Insurance	-0.7	-5.1	-1.5	1.3	-2.5
Real estate activities (b)	-14.3	-3.4	-3.6	0.2	-0.4
Professional, scientific and technical activities	-11.5	-2.2	-2.0	-1.9	3.7
of which: Legal and accounting activities	-0.3	-0.1	-0.2	0.0	0.0
Activities of head offices; management consultancy activities	-0.4	-1.2	-0.5	-1.8	3.6
Architectural and engineering activities; technical testing and analysis	-9.1	-1.0	-0.8	-0.2	0.4
Scientific research and development	0.1	-0.1	0.0	-0.1	0.1
Advertising and market research	-1.8	-0.1	0.1	-0.1	0.2
Administrative and support service activities	-2.2	0.2	-0.1	-0.6	1.2
Education	0.0	0.0	0.0	0.0	0.0
Human health and social work activities	-0.2	-0.1	-0.1	0.0	0.0
Arts, entertainment and recreation	0.1	0.1	0.0	0.0	0.0
Other service activities	-0.1	0.0	0.0	-0.1	0.2
Not allocated	2.3	-0.4	-0.2	-24.2	47.7
of which: reinvested earnings	–	–	–	-24.1	47.5
Total	-82.2	-78.3	-61.2	-50.7	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group. Reinvested earnings have been broken down by business sector, except for the latest published year, because only estimated data are available for that year.

(a) The structure of foreign direct investment stocks and flows by sector is determined according to the "NAF rév. 2" classification of activities. The amount of loans between fellow companies is calculated after restating the loans 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.

Inward foreign direct investment flows by sector (a)

STAT_2.6

(EUR billions)

	2007	2008	2009	2010	2010 (%)
Agriculture, forestry and fishing	0.0	0.0	0.0	0.0	0.1
Mining and quarrying	0.1	0.7	0.2	-0.5	-3.9
of which: Extraction of crude petroleum and natural gas	-0.1	-0.1	0.1	-0.7	-5.6
Manufacturing	4.8	11.9	1.0	3.9	30.6
of which: Food products and beverages	0.8	2.4	-1.7	-0.7	-5.4
Textiles and wearing apparel	-0.0	-0.2	-0.1	-0.5	-4.1
Wood, paper, printing and reproduction	0.0	0.0	-0.5	0.9	7.0
Coke and refined petroleum products	-0.1	0.3	0.9	0.4	3.1
Chemicals and chemical products	2.7	0.6	2.6	-1.1	-8.3
Pharmaceutical products	1.1	0.2	2.2	0.7	5.5
Rubber and plastic products	0.8	0.1	-0.2	0.0	0.3
Basic metals and fabricated metal products	1.6	-0.6	-1.8	1.3	10.5
Computer, electronic and optical products	1.8	0.7	0.0	0.6	5.0
Machinery and equipment	-0.1	-0.1	-0.4	0.7	5.5
Motor vehicles, trailers and semitrailers	0.5	0.4	0.2	0.9	6.8
Other transport equipment	-1.6	1.3	-0.1	-0.3	-2.2
Electricity, gas, steam and air conditioning supply	1.4	0.3	-0.1	-0.1	-0.9
Water supply, sewerage, waste management and remediation activities	0.1	0.0	0.0	0.1	0.8
of which: Water collection, treatment and supply	0.1	0.0	0.1	0.0	-0.1
Construction	0.2	-2.0	0.0	-0.1	-0.8
Wholesale and retail trade, repair of motor vehicles and motorcycles	4.8	-8.2	-7.3	-9.2	-71.6
of which: Wholesale trade	4.4	-4.2	-5.8	-6.1	-47.5
Retail trade	1.3	-3.4	0.0	-0.6	-4.8
Transportation and storage	-0.1	-0.9	-2.2	-1.5	-12.0
of which: Land transport and transport via pipelines	0.3	-0.1	-0.4	0.0	0.2
Water transport	0.3	0.4	-1.1	0.4	2.8
Air transport	0.1	0.1	0.0	-0.3	-2.2
Warehousing and support activities for transportation	-0.8	-1.3	-0.7	-1.6	-12.8
Accommodation and food service activities	0.7	0.5	-0.1	-0.2	-1.8
Information and communication	-1.1	4.0	0.1	0.0	0.4
of which: Motion pictures, video and television programme activities	1.1	-0.2	-0.1	-0.2	-1.7
Telecommunications	-2.0	-1.3	0.3	-0.1	-0.7
Financial and insurance activities	9.0	2.5	13.7	0.4	3.4
of which: Financial service activities, except insurance and pension funding	0.7	-0.7	11.3	2.5	19.8
of which: Activities of holding companies	1.1	3.6	3.2	0.6	4.8
Insurance	6.6	2.5	0.1	-0.3	-2.3
Real estate activities (b)	12.8	4.2	3.4	7.3	57.3
Professional, scientific and technical activities	-0.1	1.6	0.3	3.1	24.4
of which: Legal and accounting activities	0.1	0.0	0.0	0.0	-0.3
Activities of head offices; management consultancy activities	-0.6	0.8	0.6	3.1	24.5
Architectural and engineering activities; technical testing and analysis	0.3	0.3	0.3	0.1	0.9
Scientific research and development	0.0	0.5	0.0	0.4	3.0
Advertising and market research	0.1	0.1	-0.6	-0.5	-3.8
Administrative and support service activities	3.3	0.8	1.4	-3.2	-25.0
Education	0.0	0.5	0.7	-0.2	-1.6
Human health and social work activities	0.2	0.1	0.0	0.0	0.1
Arts, entertainment and recreation	0.0	0.0	0.0	0.0	0.3
Other service activities	0.2	0.0	0.1	0.1	0.6
Not allocated	-3.6	0.4	0.4	12.7	99.6
of which: reinvested earnings	-	-	-	12.8	100.1
Total	32.4	16.3	11.6	12.8	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group. Reinvested earnings have been broken down by business sector, except for the latest published year, because only estimated data are available for that year.

(a) The structure of foreign direct investment stocks and flows by sector is determined according to the "NAF rév. 2" classification of activities. The amount of loans between fellow companies is calculated after restating the loans according to the extended directional principle.

(b) This item includes the 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.

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 2 – Foreign direct investment flows

Outward foreign direct investment

STAT_2.7

Main deals announced in the press and carried out in 2010, classified by the resident enterprise in alphabetical order (a)

I. New investments			
Investor enterprise	Direct investment enterprise	Country	Comments
Cap Sogeti 2005	CPM Braxis	Brazil	Acquisition of the Brazilian leader for computer services by a resident subsidiary of the Caggemini group
Crédit Mutuel		Spain	Joint-venture with Banco Popular
EDF	Unistar	United States	Acquisition of the 50% stake owned by Constellation Energy in the joint-venture with EDF, Unistar
EDF	SPE Luminus	Belgium	Increase of the stake owned by EDF
EDF	Taishan Nuclear Power Joint Venture Company Limited (TNPJVC)	China	Joint-venture with China Guangdong Nuclear Power Company (CGNPC) to build and operate two EPR nuclear reactors in Taishan (Guangdong province)
Eurovia (groupe Vinci)		Czech Republic	Acquisition of one hundred quarries in Europe from Tarmac, a subsidiary of the Anglo American mining group
Faurecia (groupe PSA)	Emcon Technologies	United States	Acquisition of the American group, which specialises in emission control technology
GDF Suez	International Power Plc	United Kingdom	Financing for the acquisition of International Power plc through the Belgian subsidiary Electrabel
Rhodia	Feixiang Chemicals	Singapore	Acquisition (via a company in Singapore) of China's leading producer of amines and surface-active agents
Schneider Electric	Electroshield Samara	Russia	Acquisition of a 50% stake in Russia's leader for medium-voltage products and solutions
Schneider Electric	Uniflair SpA	Italy	Acquisition of the world's third-ranking producer of precision air conditioning, technical cooling systems and modular access floors for data centres and telecommunications applications
Sephora (groupe LVMH)	Sack's	Brazil	Acquisition of a 70% stake in the Brazilian e-commerce site
SNCF	Eurostar International Ltd	United Kingdom	Acquisition of a 55% stake
Soprema	Fibrasa Holding AG	Switzerland	Acquisition of the Swiss holding company of the Efol group
Total	UTS Energy	Canada	Capital increase carried out by Total in a Canadian subsidiary in order to takeover the Canadian oil exploration specialist
Transport Logistique Partenaire	Ermewa	Switzerland	The SNCF subsidiary's acquisition of the Swiss specialist in industrial wagon rental, transportation organisation and container rental in several European Union countries
Vivendi	GVT	Brazil	Completion of Vivendi's takeover bid for the Brazilian telecommunications operator, which started in 2009
Yoplait	Liberté Brand Products	Canada	Acquisition of the Canadian yoghurt producer Liberté
Zodiac Aerospace	Sell	Germany	Acquisition of the German producer of aircraft galleys and cabin equipment
2. Disposals			
Seller	Enterprise sold	Country	Comments
AXA		United Kingdom	Sale to Resolution Ltd of activities in conventional life insurance and pension, provident and group pension schemes sold through independent financial advisers
Carrefour	PT Carrefour Indonesia	Indonesia	Sale of a 40% stake to the Trans Corp holding company as part of a partnership deal
Dalkia	Dalkia Polska	Poland	Sale of a 40% stake in Dalkia's Polish subsidiary to the Australian investment fund IFM
Danone	Wimm-Bill-Dann Foods	Russia	Sale of Danone's 18.4% stake
EDF		United Kingdom	Sale of British distribution networks to the Cheung Kong group from Hong-Kong
Lafarge	Cimpor	Portugal	Sale of a 17% stake in Cimpor to the Brazilian conglomerate Votorantim
Malakoff Médéric	Adelas	Spain	Sale of a 45% stake
Renault	Volvo AB	Sweden	Sale of 14.9% stake in the Swedish lorry maker
Vivendi	NBC Universal	United States	Sale of the bulk of Vivendi's stake in NBC Universal to General Electric

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

Inward foreign direct investment

STAT_2.8

Main deals announced in the press and carried out in 2010, classified by the resident enterprise in alphabetical order (a)

I. New investments			
Direct investment enterprise	Investor enterprise	Country	Comments
39-41 avenue de Wagram	Deka-Immobilien Europa	Germany	Sale of package including the hotel Marriott Renaissance Paris Arc de Triomphe, salle Wagram and 3 stores by Altea Cogedim
Air France - KLM	Capital Research and Management Company	United States	Acquisition of a stake exceeding 10% in the French company by the American investment fund
Faurecia	One Equity Partners	United States	Shares issued by Faurecia to the investment fund belonging to JP Morgan Chase & Co in exchange for Emcon Technologies
Foncière des Régions	Delfin	Luxembourg	Acquisition of a further 4% stake from Batipart
Ginger	Grontmij	Netherlands	Funds provided by the Dutch parent to its French subsidiary to finance the takeover bid for Ginger
Hôtel Lutetia	Alrov	Israel	Acquisition of the Paris luxury hotel by the Israeli real-estate group Alrov
Leboncoin.fr	Schibsted	Norwy	Sale of a free classified advertisement site by Spir Communication to the Norwegian group Schibsted
Macquarie Autoroutes de France	MAF2	Luxembourg	Capital increase by a Luxembourg holding company to finance the acquisition of some of the shares in Autoroutes Paris-Rhin-Rhône sold by Elliott Management Corporation
O'Parinor	NPS	Luxembourg	Capital increase by a Luxembourg holding company belonging to the Korean pension fund NPS in order to finance the acquisition of a 51% stake in the O'Parinor shopping centre
Otor Finance	DS Smith	United Kingdom	DS Smith Hêtre Blanc capital increase subscribed by the British parent to finance the acquisition of Otor Finance from two Luxembourg holding companies in the Carlyle group
Picard	Lion Capital	Luxembourg	Financing provided by Luxembourg holding companies to the acquisition vehicle that Lion Capital set up in France to take over
PriceMinister	Rakuten Europe	Luxembourg	Acquisition through a Luxembourg holding company affiliated with the Japanese Rakuten group
Sebia	Diacine	Luxembourg	Capital increase for Diacine France by a Luxembourg holding company to finance the acquisition of Serbia
SeLogger.com	Axel Springer	Germany	Acquisition of a 12.4% stake
Stallergènes	Ares Life Sciences	Luxembourg	Acquisition by a Luxembourg holding company of the Wendel Group's Stallergènes shares held via a Dutch holding company
2. Disposals			
Enterprise sold	Seller	Country	Comments
Autoroutes Paris-Rhin-Rhône	Elliott Management Corporation	United States	Equity stake fell below the 10% notification threshold
Cegelec	Qatari Diar Real Estate Investment Company	Luxembourg	Vinci's acquisition of Cegelec from a Luxembourg holding company in exchange for an equity stake
Compagnie La Lucette	MSREF Turque Sarl	Luxembourg	icade's acquisition of the Morgan Stanley Real Estate Fund shares held by a Luxembourg investment fund
Dexia Epargne Pension	Dexia Insurance Belgium	Belgium	Acquisition by BNP Paribas Assurance
Faurecia	One Equity Partners	United States	Sale of shares received as payment for the takeover of Emcon Technologies by Faurecia
Financière Européenne Alcan Emballages	Rio Tinto	Australia	Sale of Rio Tinto – Alcan's packaging branch
Ipsen	Mayroy	Luxembourg	Reduction of Ipsen's majority stake to 68.3%.
Legrand	Financière Light III Sarl	Luxembourg	Reduction of KKR's stake in Legrand held via a Luxembourg holding company
Legrand	Legron B.V.	Netherlands	Reduction of Wendel's stake in Legrand held via a Dutch holding company
Otor Finance	Packaging Investment I et II	Luxembourg	Sale of Otor Finance by to Carlyle group holding companies in Luxembourg to DS Smith Hêtre Blanc
Pernod Ricard	Capital Research and Management Company	United States	Equity stake fell below the 10% notification threshold
Picard	BC Partners	Luxembourg	BC Partners' sale of Picard (via a Luxembourg holding company) to Lion Capital
Publicis Groupe	Dentsu Inc	Japan	Publicis Group's repurchase of some of its shares from Dentsu Inc
Simon Invanhoe France	Simon Invanhoe Luxembourg	Luxembourg	Unibail-Rodamco's acquisition of the business activities of the Simon Invanhoe group in France
Stallergènes	Wendel	Netherlands	Sale of Wendel's shares (held via a Dutch holding company) to Ares Life Sciences

(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

Portfolio investment flows by type of security and issuer's country of residence

STAT_3.1

(EUR billions)

	2009				2010			
	Equity securities	Bonds and notes	Short-term debt securities	Total	Equity securities	Bonds and notes	Short-term debt securities	Total
European Union (27 members)	-26.6	-26.5	-76.9	-130.0	-20.7	-15.0	24.5	-11.1
Economic and Monetary Union (16 members)	-23.3	-29.5	-56.0	-108.7	-15.7	-3.7	18.1	-1.3
of which: Germany	-4.3	38.5	-8.0	26.2	-6.8	-1.7	6.5	-2.1
Austria	0.4	-5.7	0.6	-4.8	0.3	-5.2	0.5	-4.5
Belgium	0.8	-6.3	-3.8	-9.3	-2.1	-10.2	2.4	-9.9
Spain	-2.2	-8.0	-17.4	-27.6	0.8	-2.6	1.4	-0.4
Finland	-0.8	-3.0	-2.7	-6.5	0.0	1.0	2.2	3.3
Greece	-0.4	-13.7	-0.7	-14.8	0.1	21.2	1.2	22.6
Ireland	-3.7	-3.9	-1.0	-8.6	-1.1	5.9	5.2	10.1
Italy	-1.5	-14.1	-10.2	-25.8	0.3	-3.9	-4.9	-8.6
Luxembourg	-5.7	2.8	1.8	-1.1	-2.7	-2.1	-1.5	-6.3
Netherlands	-6.0	-5.7	-10.2	-21.9	-4.0	-7.4	-0.3	-11.7
Portugal	0.0	-9.8	-4.2	-14.0	-0.3	2.2	5.9	7.8
Other European Union countries (27 members)	-3.3	3.0	-20.9	-21.2	-5.0	-11.3	6.4	-9.8
of which: United Kingdom	-1.9	22.5	-19.9	0.6	-4.7	-8.1	9.7	-3.1
Sweden	-0.6	-6.5	-0.6	-7.7	0.2	-1.8	-1.9	-3.5
Other industrialised countries (8)	-2.8	4.2	13.2	14.6	2.1	-0.7	13.8	15.1
of which: United States	4.1	-9.8	1.2	-4.4	-0.3	3.8	1.1	4.6
Japan	-5.6	20.2	13.0	27.6	4.7	1.0	11.7	17.3
Switzerland	-1.0	0.0	-0.9	-1.9	-0.2	0.0	0.3	0.2
Rest of the world	2.2	10.7	25.1	38.0	1.6	15.5	2.1	19.2
of which: Netherlands Antilles	0.0	9.2	0.0	9.2	-0.3	2.6	-0.4	1.9
Bermuda	3.1	-0.8	0.0	2.3	1.4	0.1	0.0	1.5
Brazil	-1.7	-0.3	0.0	-2.0	-0.8	-0.9	0.0	-1.6
China	-1.8	0.2	0.0	-1.5	-1.7	0.1	0.0	-1.6
South Korea	0.9	2.2	-0.2	3.0	-0.1	-0.2	0.1	-0.3
Cayman Islands	5.6	-0.6	-0.4	4.7	4.6	12.2	1.4	18.3
India	-2.5	-0.1	0.0	-2.6	-0.2	0.0	0.0	-0.2
Jersey	-0.3	0.0	1.2	0.9	1.4	2.1	-0.8	2.8
Russia	-0.3	0.0	0.0	-0.3	-1.4	0.0	0.0	-1.4
Turkey	-0.1	-0.1	0.0	-0.1	-0.4	-0.4	0.0	-0.8
Total	-27.2	-11.6	-38.6	-77.4	-17.0	-0.2	40.4	23.2

Note: See "Definition of geographical zones" at the end of this report.

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 3 – Portfolio investment flows

Assets (residents' transactions in securities issued by non-residents) By instrument and by currency (euro/foreign currencies) (a)

STAT_3.2

(EUR billions)

	2008			2009			2010		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Euro area issuers	-53.3	-6.5	-59.8	-108.9	0.2	-108.7	2.8	-4.1	-1.3
Equity securities and mutual funds	-27.0	-3.4	-30.4	-20.8	-2.4	-23.3	-7.7	-8.0	-15.7
Equity securities	-27.6	-5.5	-33.0	-11.9	-3.2	-15.1	-6.7	-6.8	-13.4
Mutual fund shares/units	0.6	2.1	2.6	-8.9	0.7	-8.2	-1.0	-1.3	-2.3
Bonds and notes	-1.8	-3.5	-5.2	-33.1	3.7	-29.5	-6.4	2.7	-3.7
Treasury notes maturing at more than one year	8.0	0.0	8.0	-22.1	0.0	-22.1	-10.2	0.0	-10.2
Other bonds	-9.8	-3.5	-13.3	-11.0	3.7	-7.3	3.8	2.7	6.5
Short-term debt securities	-24.5	0.3	-24.2	-54.9	-1.1	-56.0	16.8	1.3	18.1
Treasury notes maturing at less than one year	-6.7	0.0	-6.7	-11.8	0.0	-11.7	-3.9	0.0	-3.9
Other short-term debt securities	-17.8	0.3	-17.5	-43.2	-1.1	-44.2	20.7	1.3	22.0
Issuers outside the euro area	-16.5	-22.0	-38.5	-1.4	32.8	31.3	4.1	20.4	24.5
Equity securities and mutual funds	-9.2	0.1	-9.0	0.4	-4.3	-3.9	6.2	-7.4	-1.3
Equity securities	-0.7	-5.6	-6.2	-1.9	-14.7	-16.6	1.3	-9.3	-8.0
Mutual fund shares/units	-8.5	5.7	-2.8	2.3	10.3	12.6	4.9	1.8	6.8
Bonds and notes	19.4	-10.4	9.0	-7.2	25.0	17.8	-15.2	18.6	3.5
Treasury notes maturing at more than one year	0.0	-0.7	-0.7	-0.1	2.0	1.9	0.0	-9.2	-9.1
Other bonds	19.4	-9.7	9.7	-7.1	23.0	15.9	-15.2	27.8	12.6
Short-term debt securities	-26.7	-11.7	-38.4	5.4	12.0	17.4	13.1	9.2	22.3
Treasury notes maturing at more than one year	-1.1	-14.9	-16.0	1.3	11.5	12.8	0.0	13.5	13.5
Other short-term debt securities	-25.5	3.2	-22.4	4.1	0.6	4.7	13.1	-4.3	8.8
All issuers	-69.7	-28.5	-98.3	-110.3	32.9	-77.4	6.9	16.3	23.2
Equity securities and mutual funds	-36.2	-3.2	-39.4	-20.4	-6.8	-27.2	-1.5	-15.5	-17.0
Equity securities	-28.2	-11.0	-39.3	-13.8	-17.8	-31.6	-5.4	-16.0	-21.4
Mutual fund shares/units	-7.9	7.8	-0.2	-6.6	11.1	4.4	3.9	0.6	4.4
Bonds and notes	17.6	-13.8	3.8	-40.3	28.7	-11.6	-21.5	21.3	-0.2
Treasury notes maturing at more than one year	8.0	-0.7	7.3	-22.2	2.0	-20.2	-10.1	-9.2	-19.3
Other bonds	9.6	-13.2	-3.6	-18.1	26.7	8.6	-11.4	30.5	19.1
Short-term debt securities	-51.2	-11.4	-62.6	-49.6	11.0	-38.6	29.9	10.5	40.4
Treasury notes maturing at more than one year	-7.8	-14.9	-22.7	-10.5	11.5	1.0	-3.9	13.5	9.6
Other short-term debt securities	-43.4	3.5	-39.9	-39.1	-0.5	-39.6	33.8	-3.0	30.8

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

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

STAT_3.3

(EUR billions)

	2005	2006	2007	2008	2009	2010
General government	73.9	18.1	24.3	98.7	149.9	46.8
OATs	46.6	33.2	29.6	31.0	46.1	40.5
BTANs	6.4	6.6	8.4	19.6	18.7	10.9
Other bonds and notes	19.2	6.4	-18.4	-5.2	14.4	-0.5
BTFs	5.6	-22.7	4.1	42.6	66.0	-5.4
Other short-term debt securities	-3.9	-5.4	0.6	10.7	4.7	1.4
Monetary financial institutions	60.7	73.0	50.1	14.9	30.5	33.1
Equity securities	3.1	13.7	-9.6	8.7	8.0	-3.2
Money market fund shares/units	3.5	12.8	0.6	-0.4	-0.4	-9.9
Bonds and notes	39.1	34.8	49.0	11.6	17.7	39.0
Short-term debt securities	15.0	11.8	10.1	-5.0	5.2	7.2
Other sectors	46.4	60.7	11.4	9.7	148.0	16.9
Equity securities	25.9	37.8	-1.9	-10.6	28.0	-5.8
Mutual fund shares/units other than money market funds	20.1	10.4	3.8	-8.6	17.4	12.6
Bonds and notes	-1.7	9.6	13.6	23.9	102.3	9.6
Short-term debt securities	2.2	2.9	-4.2	5.0	0.4	0.4

SERIES 4 – INTERNATIONAL INVESTMENT POSITION

International investment position time series from 2002 to 2010

STAT_4.1

(EUR billions)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Foreign direct investment									
At book value (a)	191.9	155.9	149.5	203.8	214.4	225.1	290.8	351.2	422.6
At market value (b)	188.5	232.5	210.2	291.0	381.5	371.9	261.0	401.2	385.2
Outward									
At book value (a)	559.1	573.6	620.6	736.2	793.0	874.2	975.3	1,041.9	1,144.8
At market value (b)	609.1	749.6	847.1	1,044.6	1,222.4	1,219.2	911.0	1,153.4	1,139.8
Inward									
At book value (a)	-367.3	-417.6	-471.1	-532.4	-578.7	-649.1	-684.5	-690.7	-722.2
At market value (b)	-420.7	-517.1	-636.9	-753.5	-840.8	-847.4	-650.0	-752.2	-754.7
Portfolio investment	-165.9	-203.4	-174.5	-176.9	-112.0	26.2	-15.1	-259.0	-350.4
Foreign securities	888.6	1,084.4	1,285.3	1,587.9	1,851.0	2,014.1	1,857.4	2,056.3	2,099.7
Equity securities and mutual fund shares/units	190.8	269.4	325.0	444.9	544.3	561.7	341.1	449.2	510.5
Bonds and notes	629.8	720.3	854.4	1,017.0	1,170.7	1,325.8	1,307.5	1,360.8	1,371.6
Short-term debt securities	68.0	94.7	105.9	126.0	136.1	126.7	208.7	246.3	217.6
Domestic securities	-1,054.5	-1,287.8	-1,459.8	-1,764.8	-1,963.0	-1,987.9	-1,872.5	-2,315.3	-2,450.1
Equity securities and mutual fund shares/units	-329.1	-388.7	-436.0	-585.3	-752.0	-720.3	-449.0	-591.8	-591.3
Bonds and notes	-652.8	-811.8	-923.1	-1,056.7	-1,104.4	-1,152.3	-1,252.0	-1,475.3	-1,611.3
Short-term debt securities	-72.6	-87.4	-100.7	-122.8	-106.7	-115.3	-171.5	-248.2	-247.5
Memorandum item: Treasury securities	-326.2	-405.4	-478.6	-541.6	-541.8	-573.0	-696.9	-827.7	-883.5
Financial derivatives	-4.0	-23.9	-19.7	-22.9	-29.7	-71.6	-55.3	-38.4	-72.7
Assets	103.1	93.1	116.9	124.5	159.2	241.0	234.0	273.5	324.5
Liabilities	-107.1	-117.0	-136.6	-147.4	-188.9	-312.6	-289.3	-311.8	-397.2
Other investment (excluding reserve assets)	-34.3	-50.8	-89.8	-135.0	-294.4	-433.0	-513.5	-358.0	-279.1
Trade credits and payments on account	27.4	23.8	25.9	14.5	10.4	2.0	-3.4	-6.7	-11.1
Assets	95.6	88.6	91.3	88.9	83.8	85.7	84.9	78.3	79.6
Liabilities	-68.3	-64.8	-65.4	-74.4	-73.4	-83.7	-88.3	-85.0	-90.7
Other investment of the Banque de France	33.5	31.1	21.0	20.5	1.0	-48.2	-187.2	-139.1	-99.5
Assets	35.6	34.6	25.5	22.9	24.9	39.6	29.9	35.6	51.8
Liabilities	-2.1	-3.5	-4.5	-2.4	-23.9	-87.8	-217.1	-174.7	-151.3
Other investment of general government	7.9	9.6	6.5	12.9	13.1	7.6	2.0	7.9	12.9
Assets	27.4	28.4	27.2	29.0	31.9	26.7	26.7	28.2	33.4
Liabilities	-19.5	-18.8	-20.7	-16.1	-18.7	-19.1	-24.7	-20.2	-20.5
MFIs' deposit/loan position	-115.7	-132.1	-161.5	-175.4	-299.4	-370.9	-286.6	-206.9	-175.4
Assets	516.4	492.0	578.9	840.7	945.6	1,094.7	1,058.6	990.3	1,123.2
Liabilities	-632.1	-624.2	-740.4	-1,016.1	-1,245.0	-1,465.6	-1,345.2	-1,197.3	-1,298.6
Deposit/loan position of other sectors (c)	12.6	16.8	18.3	-7.4	-19.5	-23.6	-38.2	-13.2	-6.0
Assets	76.8	77.8	81.0	80.2	77.2	78.9	73.4	76.7	80.1
Liabilities	-64.1	-61.0	-62.7	-87.7	-96.7	-102.5	-111.6	-89.9	-86.1
Reserve assets	58.8	56.0	56.8	63.0	74.6	78.6	74.0	92.4	124.5
Total assets									
With foreign direct investment at book value	2,361.4	2,528.5	2,883.4	3,573.4	4,041.2	4,533.5	4,414.1	4,673.2	5,061.7
With foreign direct investment at market value	2,411.4	2,704.5	3,109.9	3,881.8	4,470.5	4,878.6	4,349.8	4,784.6	5,056.7
Total liabilities									
With foreign direct investment at book value	-2,314.9	-2,594.7	-2,961.2	-3,641.3	-4,188.3	-4,708.2	-4,633.3	-4,884.9	-5,216.8
With foreign direct investment at market value	-2,368.3	-2,694.2	-3,126.9	-3,862.5	-4,450.4	-4,906.5	-4,598.8	-4,946.4	-5,249.2
International investment position									
With foreign direct investment at book value	46.5	-66.2	-77.8	-67.9	-147.1	-174.7	-219.2	-211.7	-155.1
With foreign direct investment at market value	43.1	10.4	-17.0	19.3	20.0	-27.9	-249.0	-161.7	-192.5

Note: The series for 1995 to 2001 are available on the Banque de France website.

(a) Stocks of foreign direct investment at book value in 2010 were estimated on the basis of stocks at the end of 2009, foreign direct investment flows in 2010 and exchange rate variations for positions in foreign currencies.

(b) Stocks of foreign direct investment at market value at the end of 2009 were based on the estimated stocks at book value, adjusted for changes in the market capitalisation ratios of the CAC companies.

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

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 4 – International investment position

Stocks of foreign direct investment at book value and at market value

STAT_4.2

Stocks at end of year

(EUR billions)

	2000	2001	2002	2003	2004	2005	2006	2007*	2008*	2009*	2010
Outward foreign direct investment											
At book value (a)	418.2	499.2	469.3	467.8	491.0	551.6	578.8	636.8	714.3	774.8	858.2
Equity	353.1	409.5	390.2	380.1	418.1	491.4	548.8	598.2	658.6	700.0	775.8
Listed companies	28.2	13.1	21.5	21.4	26.3	32.8	38.7	48.2	29.2	39.5	43.4
Unlisted companies	319.4	389.3	360.3	349.3	381.2	445.4	494.3	531.2	609.9	640.0	708.6
Real-estate investment	5.6	7.1	8.4	9.4	10.6	13.1	15.8	18.8	19.4	20.6	23.9
Other capital (loans)	65.0	89.7	79.1	87.7	72.9	60.2	30.1	38.6	55.8	74.8	82.4
At market value (b)	934.9	827.7	519.3	643.8	717.4	859.9	1,008.1	981.9	650.0	886.3	853.3
Equity	869.9	738.1	440.2	556.1	644.5	799.7	978.0	943.2	594.3	811.5	770.9
Listed companies	95.1	45.9	39.6	45.5	53.3	73.6	104.5	132.7	40.5	59.6	65.9
Unlisted companies	760.3	675.2	381.7	490.1	567.7	697.6	840.8	773.9	517.3	713.8	662.2
Real-estate investment	14.5	17.0	18.9	20.5	23.5	28.5	32.8	36.6	36.4	38.0	42.7
Other capital (loans)	65.0	89.7	79.1	87.7	72.9	60.2	30.1	38.6	55.8	74.8	82.4
Inward foreign direct investment											
At book value (a)	-219.0	-256.9	-277.6	-312.0	-341.4	-347.7	-364.5	-411.7	-423.5	-423.6	-435.7
Equity	-195.2	-212.2	-232.3	-267.4	-295.2	-325.1	-348.7	-386.2	-395.3	-394.2	-418.0
Listed companies	-18.1	-19.4	-17.6	-17.2	-15.4	-26.7	-31.7	-31.4	-30.6	-36.2	-36.3
Unlisted companies	-153.3	-163.9	-178.9	-205.4	-229.1	-240.8	-250.6	-277.5	-284.8	-275.3	-295.4
Real-estate investment	-23.8	-28.9	-35.7	-44.8	-50.7	-57.5	-66.4	-77.3	-79.9	-82.7	-86.3
Other capital (loans)	-23.8	-44.8	-45.3	-44.6	-46.3	-22.7	-15.8	-25.6	-28.2	-29.4	-17.6
At market value (b)	-360.0	-358.1	-330.9	-411.4	-507.1	-568.9	-626.6	-610.0	-389.0	-485.1	-468.1
Equity	-336.2	-313.3	-285.6	-366.8	-460.9	-546.2	-610.8	-584.5	-360.9	-455.7	-450.5
Listed companies	-43.9	-38.0	-31.2	-23.3	-29.7	-54.2	-80.5	-72.0	-39.2	-61.8	-65.6
Unlisted companies	-234.0	-209.3	-185.1	-266.5	-349.4	-399.1	-422.3	-386.2	-200.6	-258.7	-238.0
Real-estate investment	-58.3	-66.0	-69.3	-77.0	-81.7	-92.9	-108.0	-126.3	-121.1	-135.2	-146.8
Other capital (loans)	-23.8	-44.8	-45.3	-44.6	-46.3	-22.7	-15.8	-25.6	-28.2	-29.4	-17.6
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	351.2	422.6
Equity	157.9	197.4	157.9	112.7	122.9	166.3	200.1	212.0	263.2	305.8	357.8
Listed companies	10.1	-6.3	3.9	4.2	10.9	6.1	6.9	16.8	-1.4	3.2	7.0
Unlisted companies	166.1	225.4	181.4	143.9	152.1	204.6	243.7	253.7	325.2	364.7	413.2
Real-estate investment	-18.3	-21.8	-27.4	-35.4	-40.1	-44.4	-50.6	-58.5	-60.5	-62.1	-62.5
Other capital (loans)	41.2	44.9	33.8	43.0	26.6	37.5	14.2	13.1	27.6	45.5	64.8
At market value (b)	574.9	469.6	188.4	232.4	210.2	291.1	381.5	371.9	261.0	401.2	385.2
Equity	533.7	424.7	154.6	189.3	183.6	253.5	367.3	358.8	233.4	355.8	320.4
Listed companies	51.2	7.9	8.4	22.2	23.6	19.4	24.0	60.8	1.4	-2.2	0.3
Unlisted companies	526.3	465.9	196.6	223.6	218.3	298.5	418.5	387.7	316.7	455.1	424.2
Real-estate investment	-43.8	-49.1	-50.4	-56.5	-58.2	-64.4	-75.1	-89.7	-84.7	-97.2	-104.2
Other capital (loans)	41.2	44.9	33.8	43.0	26.6	37.5	14.2	13.1	27.6	45.5	64.8

NB: The amount of loans between fellow companies is calculated after restating the loans according to the extended directional principle.

* Revised data.

(a) Stocks of foreign direct investment at book value at the end of 2010 were estimated on the basis of stocks at the end of 2009, foreign direct investment flows in 2010 and exchange rate variations for positions in foreign currencies.

(b) Stocks of foreign direct investment at market value at the end of 2010 were based on the estimated stocks at book value, adjusted for changes in the market capitalisation ratios of the CAC companies.

Foreign direct investment from end 2008 to end 2009

STAT_4.3

(estimated at market value)

(EUR billions)

	Stocks end 2008 (a)	Balance of payments transactions in 2009 (b)	Variations attributable to changes in exchange rates, market prices and other adjustments (b)				Total variations between end 2008 and end 2009 (b)	Stocks end 2009 (a)
			Total	Exchange rate changes (b)	Other price changes (b)	Other changes in volume		
	1	2	3				4 = (2 + 3)	5 = (1 + 4)
Outward foreign direct investment	650.0	61.2	175.0	2.7	170.7	1.6	236.2	886.3
Equity capital	594.3	47.8	169.4	2.8	170.7	-4.1	217.2	811.5
Listed companies	40.5	12.9	6.2	0.2	10.4	-4.4	19.1	59.6
Unlisted companies	517.3	32.8	163.7	2.8	160.6	0.3	196.5	713.8
Real-estate investment	36.4	2.1	-0.5	-0.2	-0.3	0.0	1.6	38.0
Other capital (c)	55.8	13.5	5.6	-0.1	0.0	5.7	19.1	74.8
Inward foreign direct investment	-389.0	-11.6	-84.4	0.1	-78.7	-5.8	-96.0	-485.1
Equity capital	-360.9	-16.4	-78.5	0.0	-78.7	0.3	-94.9	-455.7
Listed companies	-39.2	-8.6	-14.0	0.0	-14.3	0.3	-22.6	-61.8
Unlisted companies	-200.6	-3.5	-54.6	0.0	-54.6	0.0	-58.1	-258.7
Real-estate investment	-121.1	-4.3	-9.9	0.0	-9.9	0.0	-14.1	-135.2
Other capital (c)	-28.2	4.8	-6.0	0.1	0.0	-6.1	-1.2	-29.4
Net position	261.0	49.6	90.6	2.8	92.0	-4.2	140.2	401.2
Equity capital	233.4	31.3	91.0	2.8	92.0	-3.8	122.3	355.8
Listed companies	1.4	4.3	-7.8	0.2	-3.9	-4.1	-3.5	-2.2
Unlisted companies	316.7	29.3	109.1	2.8	106.0	0.3	138.4	455.1
Real-estate investment	-84.7	-2.2	-10.3	-0.2	-10.2	0.0	-12.5	-97.2
Other capital (c)	27.6	18.3	-0.4	0.0	0.0	-0.4	17.9	45.5

(a) Revised data.

(b) 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.

(c) After restating loans between fellow companies according to the extended directional principle.

Foreign direct investment by resident sector

STAT_4.4

(at book value)

(EUR billions)

	Stocks at end of year		
	2008	2009	2010 (a)
Outward foreign direct investment (b)	714.3	774.8	858.2
Monetary financial institutions	90.6	108.0	123.9
Others (including real-estate investment)	623.7	666.8	734.3
Inward foreign direct investment (c)	-423.5	-423.6	-435.7
Monetary financial institutions	-23.0	-29.1	-30.9
Others (including real-estate investment)	-400.5	-394.5	-404.8

Note: Intercompany loans are calculated according to the extended directional principle.

(a) Estimates based on stocks at the end of 2009 and flows in 2010.

(b) Resident investor's sector.

(c) Resident investment sector.

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 4 – International investment position

Stocks of outward foreign direct investment at book value by country of residence of the first counterparty (a)

STAT_4.5

(EUR billions)

	2007 (b)	2008 (b)	2009 (b)	2010 (c)	2010 (%)
European Union (27 members)	385.5	428.3	471.3	502.6	58.6
Economic and Monetary Union (16 members)	274.7	335.3	366.8	393.0	45.8
of which: Germany	47.4	48.2	49.4	52.6	6.1
Belgium	52.8	99.1	120.0	127.2	14.8
Spain	27.2	26.1	25.6	27.3	3.2
Ireland	11.9	16.2	15.1	16.9	2.0
Italy	30.9	37.7	37.2	39.1	4.6
Luxembourg	17.4	17.3	26.9	29.6	3.4
Netherlands	76.1	79.3	79.3	85.7	10.0
Other European Union countries	110.7	93.0	104.6	109.7	12.8
of which: Denmark	1.1	1.1	1.0	0.7	0.1
Poland	9.6	8.7	10.2	12.4	1.4
Czech Republic	4.1	5.0	5.1	5.7	0.7
Romania	2.6	3.0	3.2	3.5	0.4
United Kingdom	86.1	67.5	76.2	77.6	9.0
Sweden	4.2	3.9	5.2	5.7	0.7
Other industrialised countries	171.2	192.1	193.1	225.5	26.3
of which: Australia	4.7	4.9	5.6	6.8	0.8
Canada	10.9	5.8	6.5	8.7	1.0
United States	119.2	137.8	135.6	150.0	17.5
Japan	10.7	14.0	14.3	17.8	2.1
Switzerland	21.5	25.2	26.7	37.2	4.3
Rest of the world	80.2	93.9	110.3	130.1	15.2
of which: South Africa	0.8	0.8	1.2	1.6	0.2
Algeria	0.8	1.0	1.5	1.9	0.2
Angola	3.7	3.3	4.1	5.2	0.6
Saudi Arabia	1.1	1.3	1.2	1.4	0.2
Argentina	1.1	1.6	1.4	1.6	0.2
Bermuda	-0.4	0.2	2.3	3.6	0.4
Brazil	11.7	11.6	17.1	22.0	2.6
China	4.9	7.2	8.4	10.6	1.2
Congo	1.6	2.1	2.4	2.4	0.3
South Korea	1.8	2.0	2.2	2.8	0.3
Egypt	1.2	2.1	4.0	4.5	0.5
United Arab Emirates	0.7	1.2	1.0	0.8	0.1
Hong Kong	3.3	3.7	3.9	4.5	0.5
India	1.6	1.8	2.3	2.8	0.3
Indonesia	1.3	1.5	1.6	1.3	0.2
Israel	0.9	1.2	1.1	1.4	0.2
Jersey	0.9	1.5	1.5	1.6	0.2
Kazakhstan	2.6	3.6	4.5	2.8	0.3
Morocco	6.7	7.5	8.0	9.1	1.1
Mexico	1.9	2.1	2.1	2.5	0.3
Nigeria	3.1	3.5	4.4	4.3	0.5
Qatar	0.8	0.8	1.3	1.2	0.1
Russia	3.0	4.8	5.1	6.6	0.8
Singapore	2.1	2.9	3.0	5.0	0.6
Thailand	0.9	1.0	1.2	1.6	0.2
Turkey	2.7	3.6	4.3	4.8	0.6
Ukraine	0.6	0.9	0.9	1.4	0.2
Venezuela	1.9	1.8	1.4	1.4	0.2
Total	636.8	714.3	774.8	858.2	100.0

Note: See "definition of geographical areas" at the end of the annual report.

(a) Intercompany loans included in these statistics were calculated according to the extended directional principle.

(b) Revised data.

(c) Estimates based on stocks at the end of 2009 and flows in 2010.

Stocks of inward foreign direct investment at book value
by country of residence of the first counterparty (a)

STAT_4.6

(EUR billions)

	2007 (b)	2008 (b)	2009 (b)	2010 (c)	2010 (%)
European Union (27 members)	314.8	321.8	316.1	324.6	74.5
Economic and Monetary Union (16 members)	247.7	261.1	256.3	266.1	61.1
of which: Germany	45.3	45.7	45.1	46.6	10.7
Belgium	39.0	39.3	45.7	42.8	9.8
Spain	20.0	15.9	13.8	12.5	2.9
Ireland	8.5	10.4	6.9	4.9	1.1
Italy	13.7	13.7	15.2	15.1	3.5
Luxembourg	59.3	61.4	53.7	68.4	15.7
Netherlands	55.7	69.6	70.9	70.5	16.2
Other European Union countries	67.0	60.7	59.9	58.5	13.4
of which: Denmark	3.9	4.1	5.1	5.2	1.2
Poland	-1.3	-0.6	-0.1	-0.6	-0.1
Czech Republic	-0.1	-0.2	0.2	0.7	0.2
Romania	-0.1	0.1	0.1	0.0	0.0
United Kingdom	61.2	53.9	51.1	50.4	11.6
Sweden	3.4	3.6	3.5	2.8	0.6
Other industrialised countries	82.3	87.2	90.0	94.0	21.6
of which: Australia	0.5	-0.6	-0.1	0.1	0.0
Canada	2.2	2.9	3.8	4.1	0.9
United States	47.0	50.7	51.6	54.1	12.4
Japan	6.4	6.8	6.9	6.8	1.6
Switzerland	25.1	26.1	26.2	27.3	6.3
Rest of the world	14.7	14.6	17.4	17.1	3.9
Algeria	0.2	0.2	0.2	0.1	0.0
Netherlands Antilles	0.8	0.8	0.8	0.7	0.2
Saudi Arabia	0.5	0.5	0.5	0.5	0.1
Bermuda	0.5	0.6	0.7	1.3	0.3
Brazil	-0.1	0.0	0.0	-0.1	0.0
China	-0.1	0.0	0.0	0.0	0.0
South Korea	-0.1	-0.1	0.0	0.0	0.0
Egypt	0.0	0.1	0.2	0.2	0.0
United Arab Emirates	0.2	0.2	3.4	2.0	0.5
Gabon	0.2	0.2	0.3	0.3	0.1
Hong Kong	0.5	0.5	0.7	0.6	0.1
British Virgin Islands	0.1	0.3	0.4	0.4	0.1
India	0.2	0.2	0.2	0.2	0.1
Israel	0.0	-0.1	0.0	0.1	0.0
Jersey	0.2	0.0	0.1	0.4	0.1
Lebanon	2.2	2.2	1.2	1.2	0.3
Morocco	0.2	0.0	0.0	0.1	0.0
Mexico	0.2	0.5	0.7	0.8	0.2
Qatar	0.7	0.8	0.8	0.9	0.2
Russia	0.1	-0.1	0.0	0.2	0.0
Singapore	0.1	0.2	0.0	-0.1	0.0
Thailand	-0.1	-0.1	-0.1	-0.1	0.0
Turkey	0.2	0.2	0.1	0.1	0.0
Total	411.7	423.5	423.6	435.7	100.0

Note: See "definition of geographical areas" at the end of the annual report.

(a) Intercompany loans included in these statistics were calculated according to the extended directional principle.

(b) Revised data.

(c) Estimates based on stocks at the end of 2009 and flows in 2010.

Box 4**Geographical structure of direct investment**

Starting this year, the geographical structure of foreign direct investment flows presented in the Annual Report on the French balance of payments and international investment position (Tables STAT_2.3, STAT_2.4, STAT_4.5 and STAT_4.6) are determined after applying the extended directional principle. Under this principle, which will become a European standard starting in 2014, loans between fellow enterprises belonging to the same international group must no longer be classified according to the direction of the loan, but according to the country of residence of the ultimate controlling parent. For example, a loan from the Dutch subsidiary of a French group to a French subsidiary of the same group must no longer be classified as Dutch foreign direct investment in France, but as a disposal of French foreign direct investment in the Netherlands. Similarly, a loan from a French subsidiary of a German group to a Luxembourg subsidiary of the same group, which is recorded in the current statistics as outward French foreign direct investment in Luxembourg, must be reclassified as a disposal of Luxembourg's inward foreign direct investment in France.

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 foreign 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. It means that foreign direct investment flows and stocks aggregates are more meaningful.

It must be remembered however, that the geographical structure is still based on the country of residence of the first counterparty. Only the first country that receives the funds after they leave France is considered in the case of outward foreign direct investment and only the immediate source of funds is considered for inward foreign direct investment. Attributing flows and stocks to the country of residence of the first counterparty leads to overrepresentation of countries that are home to the most financial subsidiaries and cash management facilities of European and international groups, such as Belgium, the Netherlands and Luxembourg, among foreign direct investor and investment countries. In the example given above, the disposal of the German group's investment in France is attributed to Luxembourg, which is still quite difficult to interpret.

For the sake of providing more meaningful data, we have presented inward foreign direct investment stocks by the country of residence of the ultimate controlling parent in a box in Chapter 3 of this report.¹ These results are the product of a comprehensive restatement in which loans between fellow enterprises are attributed to the country of residence of the parent company (Germany in the example above), as are equity investment and reinvested earnings. This restatement of the data does not change the aggregate stocks of inward direct investment, but it does change the hierarchy: French groups account for 14%, or 61.4 billion, of inward foreign direct investment, whereas, in the presentation by country of residence of the first counterparty, France's share can only be zero. The share of American groups stands at 19% (vs. 12% in the previous presentation). British groups account for 15% of the stocks by ultimate investor vs. 12% by country of residence of the first counterparty. The figures for German groups are 13% and 11% respectively. On the other hand, the shares of countries that French, American, British and German groups choose as platforms for investment in France contracted substantially. The share of the Netherlands, Belgium and Luxembourg stood at between 5% and 6% of the stocks by ultimate controlling parent, down by 10 points for the Netherlands, 5 points for Luxembourg and 9 points for Belgium compared to the presentation by the country of residence of the first counterparty.

¹ This type of statistical restatement is not possible for outward foreign direct investment stocks. Many of the investments that French groups make in Belgium, Luxembourg and the Netherlands are ultimately going to other industrialised and emerging countries, but the lack of information about non-resident financial subsidiaries makes it impossible to ascertain their final destinations.

Stocks of outward foreign direct investment by sector
at book value (a)

STAT_4.7

(EUR billions)

	2007	2008	2009	2010 (b)	2010 (%)
Agriculture, forestry and fishing	0.2	0.3	0.2	0.3	0.0
Mining and quarrying	27.4	28.6	36.8	36.3	4.2
of which: Extraction of crude petroleum and natural gas	27.4	28.5	36.7	36.3	4.2
Manufacturing	159.6	198.2	199.4	210.9	24.6
of which: Food products, beverages	14.3	28.0	24.0	25.6	3.0
Textiles and wearing apparel	6.7	8.8	9.3	7.9	0.9
Wood, paper, printing and reproduction	1.6	2.8	2.3	2.3	0.3
Coke and refined petroleum products	0.7	2.0	2.1	1.7	0.2
Chemicals and chemical products	14.4	16.8	12.7	13.1	1.5
Pharmaceutical products	13.4	17.6	24.0	31.1	3.6
Rubber and plastic products	6.4	7.1	6.7	7.5	0.9
Basic metals and fabricated metal products	6.7	6.7	5.9	7.7	0.9
Computer, electronic and optical products	17.6	8.0	8.7	9.5	1.1
Machinery and equipment	5.9	12.7	14.1	16.1	1.9
Motor vehicles, trailers and semitrailers	19.5	17.6	19.3	24.3	2.8
Other transport equipment	3.0	7.3	6.4	5.3	0.6
Electricity, gas, steam and air conditioning supply	31.8	42.1	57.7	64.8	7.5
Water supply, sewerage, waste management and remediation activities	11.3	9.4	8.6	6.6	0.8
of which: Water collection, treatment and supply	9.9	8.0	7.0	5.1	0.6
Construction	4.2	11.3	12.5	13.6	1.6
Wholesale and retail trade, repair of motor vehicles and motorcycles	40.4	45.1	50.7	62.3	7.3
of which: Wholesale trade	12.1	14.6	15.1	27.7	3.2
Retail trade	26.7	27.8	32.9	31.8	3.7
Transportation and storage	6.6	5.9	6.1	8.1	0.9
of which: Land transport and transport via pipelines	2.0	1.9	1.8	3.7	0.4
Water transport	0.5	0.5	0.5	0.5	0.1
Air transport	2.0	1.3	1.4	1.8	0.2
Warehousing and support activities for transportation	1.4	1.4	1.6	1.2	0.1
Accommodation and food service activities	6.6	6.7	8.2	8.6	1.0
Information and communication	62.4	71.4	69.0	64.8	7.5
of which: Motion pictures, video and television programme activities	18.6	19.8	20.2	18.6	2.2
Telecommunications	30.2	36.7	34.8	30.2	3.5
Financial and insurance activities	209.9	219.2	231.2	252.4	29.4
of which: Financial intermediation, except insurance and pension funding	148.7	155.8	170.8	186.5	21.7
of which: Activities of holding companies	39.6	34.5	31.7	33.8	3.9
Insurance	45.2	50.6	52.1	52.7	6.1
Real estate activities (c)	37.8	26.8	29.5	32.2	3.8
Professional, scientific and technical activities	20.5	30.5	41.4	44.8	5.2
of which: Legal and accounting activities	0.8	1.3	1.5	1.5	0.2
Activities of head offices; management consultancy activities	1.6	11.7	17.6	21.9	2.6
Architectural and engineering activities; technical testing and analysis	8.4	7.8	11.5	11.4	1.3
Scientific research and development	0.3	0.3	0.3	0.4	0.0
Advertising and market research	9.5	9.7	10.0	9.7	1.1
Administrative and support service activities	2.8	1.8	7.7	10.2	1.2
Education	0.1	0.2	0.1	0.1	0.0
Human health and social work activities	0.3	0.5	0.5	0.6	0.1
Arts, entertainment and recreation	0.3	0.3	0.4	0.4	0.1
Other service activities	0.4	0.4	0.4	0.5	0.1
Not allocated	14.0	15.7	14.1	40.8	4.8
Total	636.8	714.3	774.8	858.2	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group. Reinvested earnings have been broken down by business sector, except for the latest published year, because only estimated data are available for that year.

(a) The structure of foreign direct investment stocks and flows by sector is determined according to the "NAF rév. 2" classification of activities. The amount of loans between fellow companies is calculated after restating the loans according to the extended directional principle.

(b) Estimated based on stocks at the end of 2009 and flows in 2010.

(c) 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.

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 4 – International investment position

Stocks of inward foreign direct investment by sector at book value (a)

STAT_4.8

(EUR billions)

	2007	2008	2009	2010 (b)	2010 (%)
Agriculture, forestry and fishing	0.3	0.3	0.4	0.4	0.1
Mining and quarrying	2.3	2.5	2.6	2.0	0.5
of which: Extraction of crude petroleum and natural gas	0.6	0.6	0.7	0.0	0.0
Manufacturing	93.2	99.5	95.0	104.9	24.1
of which: Food products, beverages	11.5	13.8	11.6	13.1	3.0
Textiles and wearing apparel	1.2	1.0	0.8	0.3	0.1
Wood, paper, printing and reproduction	2.9	3.3	3.4	4.4	1.0
Coke and refined petroleum products	0.9	0.8	0.8	1.2	0.3
Chemicals and chemical products	10.9	11.2	11.8	7.1	1.6
Pharmaceutical products	22.8	23.8	25.4	25.4	5.8
Rubber and plastic products	2.3	2.6	2.5	2.4	0.6
Basic metals and fabricated metal products	8.2	7.3	5.2	5.8	1.3
Computer, electronic and optical products	6.5	6.0	6.0	6.9	1.6
Machinery and equipment	3.6	3.1	2.4	2.6	0.6
Motor vehicles, trailers and semitrailers	5.0	4.8	4.9	7.1	1.6
Other transport equipment	-8.4	-6.2	-6.2	2.0	0.5
Electricity, gas, steam and air conditioning supply	6.7	3.4	2.8	2.7	0.6
Water supply, sewerage, waste management and remediation activities	0.1	0.2	0.1	-0.1	0.0
of which: Water collection, treatment and supply	0.0	0.0	0.0	0.0	0.0
Construction	2.3	1.7	1.3	1.4	0.3
Wholesale and retail trade, repair of motor vehicles and motorcycles	30.2	24.6	18.1	12.9	3.0
of which: Wholesale trade	15.0	10.3	5.2	2.7	0.6
Retail trade	11.8	10.3	10.3	10.8	2.5
Transportation and storage	2.7	4.9	3.6	3.7	0.9
of which: Land transport and transport via pipelines	1.3	2.7	2.4	2.8	0.6
Water transport	1.0	1.3	0.0	0.2	0.1
Air transport	0.2	0.3	0.3	0.5	0.1
Warehousing and support activities for transportation	0.1	0.4	0.7	0.1	0.0
Accommodation and food service activities	5.1	5.6	7.1	6.0	1.4
Information and communication	19.0	22.6	20.1	20.1	4.6
of which: Motion pictures, video and television programme activities	3.1	2.6	2.5	2.4	0.5
Telecommunications	11.3	9.8	8.0	8.1	1.9
Financial and insurance activities	122.3	124.5	130.1	127.7	29.3
of which: Financial service activities, except insurance and pension funding	91.8	91.1	98.3	98.0	22.5
of which: Activities of holding companies	44.8	53.3	53.1	51.7	11.9
Insurance	17.3	19.2	19.5	18.1	4.2
Real estate activities (c)	88.7	91.5	92.0	98.1	22.5
Professional, scientific and technical activities	6.9	10.2	13.5	17.6	4.0
of which: Legal and accounting activities	0.8	0.8	0.7	0.7	0.2
Activities of head offices; management consultancy activities	3.2	5.4	9.3	12.9	3.0
Architectural and engineering activities; technical testing and analysis	0.6	1.1	1.4	1.3	0.3
Scientific research and development	1.0	1.2	1.2	1.9	0.4
Advertising and market research	1.2	1.6	1.0	0.9	0.2
Administrative and support service activities	19.1	19.6	23.0	11.2	2.6
Education	0.5	0.4	1.1	1.3	0.3
Human health and social work activities	0.5	0.5	0.7	0.7	0.2
Arts, entertainment and recreation	0.7	0.7	0.7	0.7	0.2
Other service activities	0.5	0.3	0.3	0.4	0.1
Not allocated	10.9	10.6	11.0	24.0	5.5
Total	411.7	423.5	423.6	435.7	100.0

Note: Holding companies belonging to listed groups have been classified according to the main activity of their group. Reinvested earnings have been broken down by business sector, except for the latest published year, because only estimated data are available for that year.

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

(b) Estimates based on stocks at the end of 2009 and flows in 2010.

(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.

Stocks of outward foreign direct investment – at book value
 The top 25 outward investors at the end of 2010 by investment amount at book value

STAT_4.9

Resident investor groups (in 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
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)	Manufacture of textiles and wearing apparel
Pernod Ricard	Manufacture of food products and beverages
Peugeot SA	Manufacture of motor vehicles
PPR	Retail trade
Publicis Groupe	Advertising and market research
Renault	Manufacture of motor vehicles
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

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 4 – International investment position

Stocks of inward foreign direct investment – at book value

STAT_4.10

The top 25 inward investors at the end of 2010 by investment amount at book value

Foreign enterprises or groups (in 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
Rio Tinto - Alcan	Australia	Manufacture of metal products
Allianz AG	Germany	Insurance
Assicurazioni Generali SpA	Italia	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
Dexia banque	Belgium	Financial service activities, except insurance and pension funding
EADS	Netherlands	Manufacture of 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
Kesa Electricals Plc	United Kingdom	Retail trade
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	Belgique	Manufacture of chemicals and chemical products
Unilever NV	Netherlands	Manufacture of food products and beverages
United Technologies	United States	Manufacture of other transport equipment
Vodafone Group Plc	United Kingdom	Telecommunications

**Stocks of portfolio investment assets
 by issuer's country of residence and by type of securities**
 Data at end of 2009 and end of 2010

STAT_4.11

(EUR billions)

	2009					2010				
	Equity securities	Bonds and notes	Short-term debt securities	Total	%	Equity securities	Bonds and notes	Short-term debt securities	Total	%
European Union (27 members)	293.8	1,119.0	188.9	1,601.8	77.9	329.3	1,129.2	166.9	1,625.4	77.4
Economic and Monetary Union (16 members)	246.6	967.9	140.3	1,354.7	65.9	270.1	963.1	123.9	1,357.1	64.6
of which: Germany	53.3	166.4	21.7	241.4	11.7	66.7	175.9	15.5	258.2	12.3
Austria	1.6	46.1	1.7	49.4	2.4	1.5	52.5	1.2	55.3	2.6
Belgium	6.5	48.9	12.4	67.8	3.3	8.5	58.3	10.0	76.8	3.7
Spain	24.1	150.0	26.0	200.1	9.7	18.8	146.1	25.3	190.2	9.1
Finland	5.1	13.5	3.4	22.0	1.1	5.2	12.7	1.2	19.1	0.9
Greece	1.6	55.4	1.6	58.5	2.8	0.8	31.8	0.3	32.9	1.6
Ireland	18.4	67.4	13.0	98.8	4.8	20.6	59.0	7.9	87.6	4.2
Italy	22.1	199.7	17.9	239.7	11.7	18.2	197.7	22.8	238.7	11.4
Luxembourg	90.9	18.6	3.4	112.9	5.5	100.7	21.1	4.9	126.7	6.0
Netherlands	21.1	156.2	30.3	207.5	10.1	26.7	166.1	30.9	223.7	10.7
Portugal	1.7	44.1	9.1	54.9	2.7	2.0	39.1	3.3	44.5	2.1
Other European Union countries	47.3	151.1	48.6	247.1	12.0	59.2	166.1	43.0	268.3	12.8
of which: Poland	1.4	2.8	0.5	4.7	0.2	2.0	3.6	–	5.6	0.3
Czech Republic	0.2	1.2	–	1.4	0.1	0.2	2.0	–	2.2	0.1
Romania	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.0	0.2	0.0
United Kingdom	41.0	94.6	41.7	177.3	8.6	51.0	104.7	32.8	188.4	9.0
Sweden	2.7	16.8	5.8	25.3	1.2	3.6	18.9	7.8	30.2	1.4
Other industrialised countries	84.6	154.6	52.0	291.3	14.2	98.4	164.0	47.2	309.5	14.7
of which: United States	43.5	108.3	3.5	155.3	7.6	51.9	109.9	2.6	164.3	7.8
Japan	16.3	10.5	46.1	72.9	3.5	14.5	11.4	43.1	69.0	3.3
Switzerland	16.4	0.4	1.0	17.7	0.9	19.4	0.4	0.7	20.5	1.0
Rest of the world	70.7	87.1	5.4	163.2	7.9	82.8	78.5	3.5	164.8	7.8
of which: Netherlands Antilles	2.2	30.3	0.0	32.5	1.6	3.1	30.2	0.4	33.7	1.6
Bermuda	4.5	1.6	–	6.1	0.3	3.7	1.7	–	5.4	0.3
Brazil	5.3	0.9	0.0	6.2	0.3	6.6	1.9	–	8.6	0.4
China	6.7	0.3	–	6.9	0.3	8.5	0.2	0.0	8.7	0.4
South Korea	3.9	3.8	0.2	8.0	0.4	5.2	4.4	0.2	9.8	0.5
Cayman Islands	16.8	27.0	1.6	45.4	2.2	15.2	16.7	0.1	32.1	1.5
India	4.3	0.5	–	4.8	0.2	5.6	0.6	–	6.2	0.3
Jersey	6.2	6.7	0.4	13.3	0.6	6.2	4.9	1.1	12.3	0.6
Russia	1.8	0.1	–	1.9	0.1	3.8	0.2	–	4.0	0.2
Turkey	0.9	0.8	–	1.6	0.1	1.5	1.3	0.0	2.8	0.1
Total	449.2	1,360.8	246.3	2,056.3	100.0	510.5	1,371.6	217.6	2,099.7	100.0

Note: See "Definition of geographical zones" at the end of this report.

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 4 – International investment position

Assets									
by issuing zone, type of instrument and currency									
STAT_4.12									
(EUR billions)									
	2008			2009			2010		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Euro area issuers	1,132.0	42.0	1,173.9	1,307.6	47.1	1,354.7	1,299.6	57.4	1,357.1
Equity securities and mutual funds	158.3	18.9	177.2	220.4	26.1	246.6	232.1	38.0	270.1
Equity securities	102.5	5.9	108.4	137.1	10.5	147.6	142.1	17.9	160.0
Mutual fund shares/units	55.8	13.0	68.8	83.3	15.7	99.0	89.9	20.1	110.0
Bonds and notes	891.3	22.3	913.6	948.7	19.2	967.9	944.3	18.8	963.1
Treasury notes maturing at more than one year	22.4	0.0	22.4	45.6	0.0	45.6	55.2	0.0	55.2
Other bonds	868.9	22.3	891.2	903.1	19.2	922.3	889.1	18.8	907.9
Short-term debt securities	82.3	0.7	83.0	138.5	1.8	140.3	123.3	0.6	123.9
Treasury notes maturing at less than one year	13.9	0.0	13.9	26.0	0.0	26.1	30.1	0.0	30.1
Other short-term debt securities	68.4	0.7	69.1	112.4	1.8	114.2	93.2	0.6	93.8
Issuers outside the euro area	344.6	338.9	683.4	362.2	339.3	701.6	368.0	374.7	742.6
Equity securities and mutual funds	31.3	132.6	163.9	31.9	170.7	202.6	30.4	210.0	240.4
Equity securities	5.1	110.8	115.9	8.5	156.4	164.9	7.8	194.2	202.1
Mutual fund shares/units	26.2	21.8	48.0	23.4	14.4	37.8	22.6	15.8	38.3
Bonds and notes	254.8	139.1	393.9	276.3	116.6	392.9	296.0	112.5	408.5
Treasury notes maturing at more than one year	0.0	3.3	3.3	0.1	1.4	1.5	0.1	10.9	11.0
Other bonds	254.8	135.8	390.6	276.2	115.2	391.4	296.0	101.5	397.5
Short-term debt securities	58.5	67.2	125.7	53.9	52.0	106.0	41.5	52.2	93.7
Treasury notes maturing at less than one year	1.3	65.4	66.8	0.0	50.9	50.9	0.0	46.7	46.7
Other short-term debt securities	57.2	1.7	58.9	53.9	1.1	55.0	41.5	5.5	47.0

Resident MFIs' loans and deposits in euros and foreign currencies

STAT_4.13

(EUR billions)

	2008			2009			2010		
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
Euro	691.3	-795.2	-103.9	655.4	-701.3	-45.9	730.4	-760.7	-30.3
Vis-à-vis the euro area	407.3	-321.6	85.7	400.7	-287.9	112.8	419.5	-307.8	111.7
Vis-à-vis countries outside of the euro area	284	-473.6	-189.6	254.7	-413.4	-158.7	310.9	-452.9	-142.0
Foreign currencies	367.3	-550.0	-182.6	334.9	-495.9	-161.0	392.8	-537.9	-145.1
Vis-à-vis the euro area	37.2	-50.1	-12.9	37.1	-39.3	-2.2	41.1	-54.5	-13.4
Vis-à-vis countries outside of the euro area	330.1	-499.8	-169.7	297.9	-456.6	-158.7	351.7	-483.4	-131.7
Total	1,058.6	1,345.1	-286.5	990.3	1,197.2	-206.9	1,123.2	1,298.6	-175.4

Resident MFIs' loans and deposits by counterparty's sector

STAT_4.14

(EUR billions)

	2008			2009			2010		
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
Interbank market	839.6	-1,142.8	-303.2	792.4	-1,036.8	-244.4	908.6	-1,114.3	-205.7
Euro	561.6	-672.7	-111.1	546.4	-598.2	-51.8	625.6	-642.4	-16.8
Foreign currencies	278.0	-470.1	-192.1	246.0	-438.6	-192.6	283.0	-471.9	-188.9
Monetary authorities	23.3	-96.1	-72.8	16.8	-63.4	-46.6	6.6	-78.3	-71.7
Euro	21.9	-53.0	-31.1	13.0	-37.1	-24.1	2.7	-46.3	-43.6
Foreign currencies	1.4	-43.1	-41.7	3.8	-26.3	-22.5	3.9	-32.0	-28.1
Other sectors	195.7	-106.3	89.4	181.1	-97.0	84.1	208.0	-106.0	102.0
Euro	107.8	-69.5	38.3	96.0	-66.0	30.0	102.1	-72.0	30.1
Foreign currencies	87.9	-36.8	51.1	85.1	-31.0	54.1	105.9	-34.0	71.9
Total	1,058.6	1,345.1	-286.5	990.3	1,197.2	-206.9	1,123.2	1,298.6	-175.4

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 4 – International investment position

Geographical structure of resident MFIs' loans and deposits									
STAT_4.15									
(EUR billions)									
	2008			2009			2010		
	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
European Union (27 members)	739.9	785.0	-45.1	710.7	697.5	13.2	785.4	744.3	41.1
Economic and Monetary Union (16 members)	444.5	371.7	72.9	437.8	327.2	110.6	460.6	362.3	98.3
of which: Germany	80.4	106.0	-25.6	62.3	101.2	-38.9	68.7	127.0	-58.3
Belgium	30.0	38.7	-8.7	34.2	34.1	0.1	35.4	36.4	-1.0
Spain	71.9	27.6	44.3	83.6	26.1	57.5	67.3	13.6	53.8
Ireland	28.4	19.4	9.0	24.2	22.9	1.2	27.7	20.4	7.3
Italy	93.0	38.1	55.0	102.3	30.1	72.2	123.4	27.8	95.6
Luxembourg	57.7	84.3	-26.5	57.2	71.5	-14.2	59.2	83.9	-24.7
Netherlands	41.0	33.4	7.6	33.2	26.4	6.8	40.5	29.9	10.6
Other European Union countries	295.3	413.3	-118.0	273.0	370.3	-97.4	324.8	381.9	-57.1
of which: Poland	5.5	1.1	4.4	5.6	1.4	4.2	6.9	2.2	4.7
Czech Republic	0.6	1.4	-0.8	1.6	0.8	0.8	1.6	2.0	-0.4
Romania	3.3	0.1	3.2	2.4	0.1	2.3	2.5	0.1	2.4
United Kingdom	267.3	382.7	-115.4	241.2	345.1	-103.9	290.4	357.7	-67.3
Sweden	3.8	1.7	2.1	3.7	1.0	2.6	3.7	1.1	2.5
Other industrialised countries	155.0	265.4	-110.4	122.7	236.8	-114.1	138.9	264.3	-125.4
of which: United States	62.9	159.6	-96.7	53.4	171.7	-118.3	59.4	190.4	-131.0
Switzerland	24.3	46.4	-22.0	26.5	38.3	-11.9	25.6	35.3	-9.7
Japan	37.5	42.9	-5.4	28.1	17.5	10.6	36.2	22.0	14.1
Rest of the world	163.7	294.7	-131.0	156.8	262.8	-106.0	198.9	290.0	-91.1
of which: Brazil	4.7	0.4	4.2	3.1	0.8	2.3	4.1	1.2	2.9
China	2.9	6.8	-3.9	3.1	3.0	0.0	3.7	5.8	-2.0
India	1.0	0.1	0.9	1.6	0.1	1.5	1.6	0.1	1.5
Russia	12.7	3.7	9.0	9.5	4.6	4.9	10.2	5.7	4.6
Turkey	6.1	1.3	4.8	5.1	1.4	3.7	7.8	0.6	7.2
Offshore financial centres	70.9	216.7	-145.8	63.4	191.5	-128.1	93.1	200.8	-107.7
Total	1,058.6	1,345.1	-286.5	990.3	1,197.2	-206.9	1,123.2	1,298.6	-175.4

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

(EUR billions)

	Stocks at end of year			
	2008	2009	2010	Change 2010/2009
Assets	223.7	247.0	299.1	52.1
Claims on the ESCB (TARGET)	0.0	0.0	0.0	0.0
Investment in institutional customers' securities	119.8	119.0	122.8	3.8
Securities issued by euro area residents outside France	51.5	68.1	77.5	9.4
Euro	45.3	60.8	71.3	10.5
Foreign currencies	6.2	7.3	6.2	-1.1
Securities issued by non-residents of the euro area	68.3	50.9	45.3	-5.6
Euros	7.8	5.9	3.7	-2.2
Foreign currencies	60.5	45.0	41.6	-3.4
Other assets	29.9	35.6	51.8	16.2
Other claims on euro area residents outside France	0.2	0.4	15.8	15.4
Euro	0.0	0.4	15.8	15.4
Foreign currencies	0.2	0.0	0.0	0.0
Other claims on non-residents of the euro area	20.6	26.2	26.8	0.6
Euro	1.2	0.0	4.1	4.1
Foreign currencies	19.4	26.2	22.7	-3.5
Claim on the ECB for transferred reserve assets	8.3	8.2	8.2	0.0
Equity in the ECB	0.8	0.8	1.0	0.2
Reserve assets	74.0	92.4	124.5	32.1
Liabilities	-217.3	-174.7	-151.3	23.4
Liabilities toward the ESCB (TARGET)	-117.9	-62.0	-28.3	33.7
Deposits of foreign institutional customers	-99.4	-112.7	-122.9	-10.2
Euro	-22.6	-22.3	-20.0	2.3
Foreign currencies	-76.9	-90.4	-102.9	-12.5
Position	6.4	72.3	147.8	75.5
Of which: position excluding reserve assets	-67.6	-20.1	23.3	43.4

PART 2 – SUPPLEMENTARY STATISTICAL TABLES

Series 4 – International investment position

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

STAT_4.17

(EUR billions)

	Stocks at end of year		
	2008	2009	2010
Assets	26.7	28.2	33.4
Euro	12.8	13.6	17.5
Foreign currencies	13.9	14.5	15.9
Equity in international organisations	16.3	16.6	17.5
Long-term assets	9.9	11.2	15.0
Short-term assets	0.5	0.4	0.8
Liabilities	-24.7	-20.2	-20.5
Euro	-24.7	-20.2	-20.5
Foreign currencies	0.0	0.0	0.0
Long-term liabilities	-6.8	-5.6	-6.1
Short-term liabilities	-17.9	-14.6	-14.4
Position	2.0	7.9	12.9
Euro	-11.9	-6.6	-3.0
Foreign currencies	13.9	14.5	15.9

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

STAT_4.18

(EUR billions)

	Stocks at end of year								
	2008			2009			2010		
	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total	Euro	Foreign currencies	Total
Assets	31.9	14.8	46.8	35.7	14.2	49.9	36.1	16.2	52.4
Enterprises and insurance companies	26.1	8.6	34.7	32.2	10.4	42.6	31.7	10.2	41.9
Investment companies	5.4	5.9	11.3	3.0	3.7	6.8	3.3	6.0	9.3
Mutual funds other than money market funds	0.4	0.3	0.8	0.5	0.1	0.6	1.1	0.1	1.2
Liabilities	-80.0	-31.6	-111.6	-68.6	-21.3	-89.9	-65.9	-20.2	-86.1
Enterprises and insurance companies	-63.3	-8.3	-71.7	-58.6	-7.8	-66.4	-59.3	-7.8	-67.1
Investment companies	-16.1	-20.3	-36.4	-9.7	-12.4	-22.0	-6.0	-12.3	-18.3
Mutual funds other than money market funds	-0.6	-2.9	-3.5	-0.3	-1.1	-1.4	-0.6	-0.1	-0.7
Position	-48.0	-16.8	-64.8	-32.9	-7.1	-40.0	-29.8	-4.0	-33.8

DEFINITION OF GEOGRAPHICAL AREAS

European Union members (at 31 December 2010)

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 2010, the Economic and Monetary Union had 16 member countries (denoted by *), along with the European Central Bank.

Other industrialised countries

Australia	New Zealand
Canada	Norway
Iceland	Switzerland
Japan	United States

Franc zone countries

Benin	Equatorial Guinea
Burkina Faso	Gabon
Cameroon	Guinea-Bissau
Central African Republic	Mali
Chad	Niger
Comoros	Senegal
Congo	Togo
Côte d'Ivoire	

Maghreb countries

Algeria
Morocco

Tunisia

Offshore financial centres

American Virgin Islands
Andorra
Anguilla
Antigua-and-Barbuda
Bahamas
Bahrain
Barbados
Belize
Bermuda
British Virgin Islands
Cayman Islands
Cook Islands
Dominica
Gibraltar
Grenada
Guernsey
Hong-Kong
Isle of Man
Jamaica

Jersey
Lebanon
Liberia
Liechtenstein
Maldives
Marshall Islands
Montserrat
Nauru
Netherlands Antilles
Niue
Panama
Philippines
Saint-Kitts-and-Nevis
Sainte Lucia
Saint-Vincent and the Grenadines
Samoa
Singapore
Turks and Caicos Islands
Vanuatu

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